Mango Category Sizing

Prepared for National Mango Board

For more information go to mango.org

June 2020

Agenda

1. Recommendations and Key Findings
2. Methodology
3. Mango Category Sizing Results
4. Competitive Fruits Comparison within Broadline

Recommendations and Key Findings

Recommendations

Segmented approach to overall mango growth at foodservice

- Meet and exceed double-digit growth expectations for frozen mango
  - Target commercial operators, who capture the vast majority of volume, but also seek in-roads at non-commercial where performance has been flat
  - Concentrate culinary support around the fast growing diced/cubed format, as well as chunks/nuggets and puree/pulp/strained
- Return fresh mangos to long-term growth, building on momentum from 2018
  - Build on gains at non-commercial and turn around recent commercial declines
  - Target innovation around growing formats: whole and spears, while optimizing performance of other cut-forms
- Leverage large chain volume gains via continued partnerships that feature fresh and frozen mango in both LTOs and as permanent menu additions

Key Findings

Total Mangos – Fresh & Frozen

- Fresh and frozen mangos posted 8.4% growth in pounds, resulting in 57.8MM pounds being sold in 2019. Dollars grew at about the same rate
- Commercial accounts for nearly ¾ of overall pounds and grew faster than non-commercial, with large chains gaining the most share
  - QSR was the largest segment at 29.5MM pounds and grew 6pts faster than the rest of the category
- Frozen mangos account for 76% of all foodservice pounds and have grown at an average annual rate of 13% since 2017 while fresh mangos declined slightly
- Within the broadline-only universe, mango pound volume is closest to grapes, watermelon, and blueberries, but mangos grew faster than all other competitive fruits

Key Findings

Fresh Mangos

- Fresh mango volume reached 13.6MM pounds in 2019, above 2018 levels but below 2017 performance
- Correspondingly, fresh mango dollars also posted a slightly negative CAGR (-1.0%) since 2017, but were above YAGO levels
- Declines for fresh mangos were driven by the commercial segment – where strong growth was observed for frozen. Fresh mango pounds gained 5% on average since 2017 at non-commercial/recreation, which accounts for nearly half of fresh volume
- Gains for whole fresh mango and fresh mango spears were offset by declines in other formats: sliced/cut/wedge/halved, diced/cube, and chunks/nuggets
- Within the broadline-only universe, fresh mango was one of only a handful of fresh fruits to decline, suggesting runway to return to longer-term growth

Key Findings

Frozen Mangos

- Frozen mango volume reached 44MM pounds in 2019, gaining at an average annual rate of 12.7% since 2017
- Double-digit pound growth is forecasted to continue through 2022 at an average rate of 10.4%
- Frozen mango growth sources to the commercial segment, which accounts for 78% of volume
- All frozen formats gained volume over the past two years
  - Diced/Cubed frozen mango was the 2nd largest format at 12MM and among the fastest growing at 25%
- Within the broadline-only universe, mango has a higher percentage of frozen volume than most competitive fruits, more closely aligned with berries and peaches

Methodology

Category Sizing

WHAT IS CATEGORY SIZING?

It's an approach to leverage multiple data sources to provide an accurate measurement of category market size within the foodservice universe

WHAT SITUATIONS CAN WE MEASURE?

Volume projections for any product category distributed through foodservice including product attribute detail

WHAT DATA IS USED?

SupplyTrack, ReCount, CREST are combined with client shipment data to build a composite sizing

THE NPD GROUP

Foodservice Data Sources

SupplyTrack®

Broadline sales to over ***700,000*** commercial, non-commercial, and recreation operators

ReCount®

Census of over ***647,000*** commercial operators in the US

CREST®

Over 500,000 annual consumer visits to restaurants and foodservice

Category Sizing Model

How it works

Operator Spend in Total and by Product Category

SupplyTrack®	Group locations by **system size** within **outlet category** by **census division** Calculate **purchase rates** including full product detail by location group
ReCount®, etc.	Multiplied by the number of **total locations** (universe) with the same criteria
CREST®	Adjusted for **large chain** targets
Client Input	Validated against **client shipments**

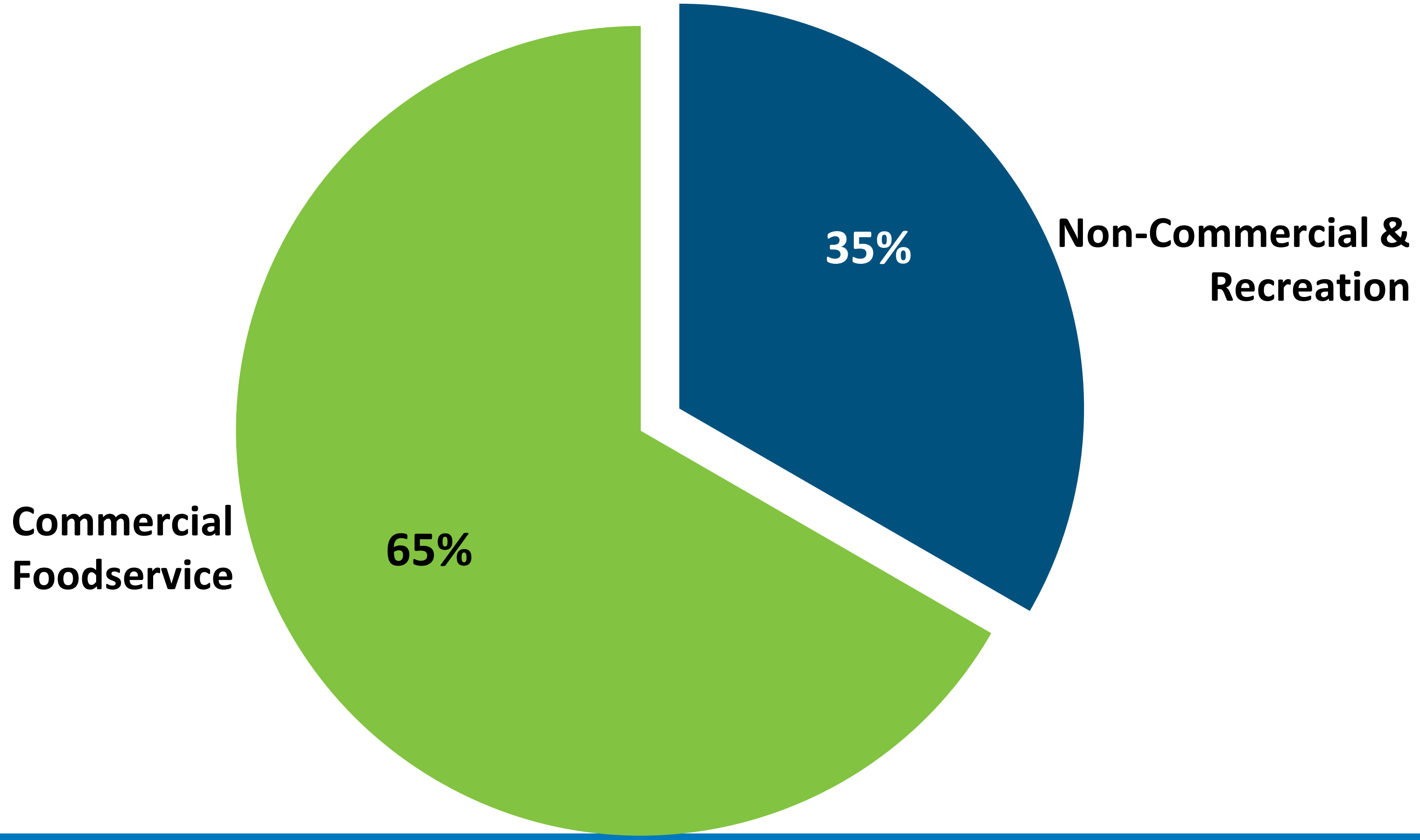
Category Sizing goes beyond SupplyTrack

Provides estimates of total foodservice operator spending

SupplyTrack – Large Broadline Distributors

$104B

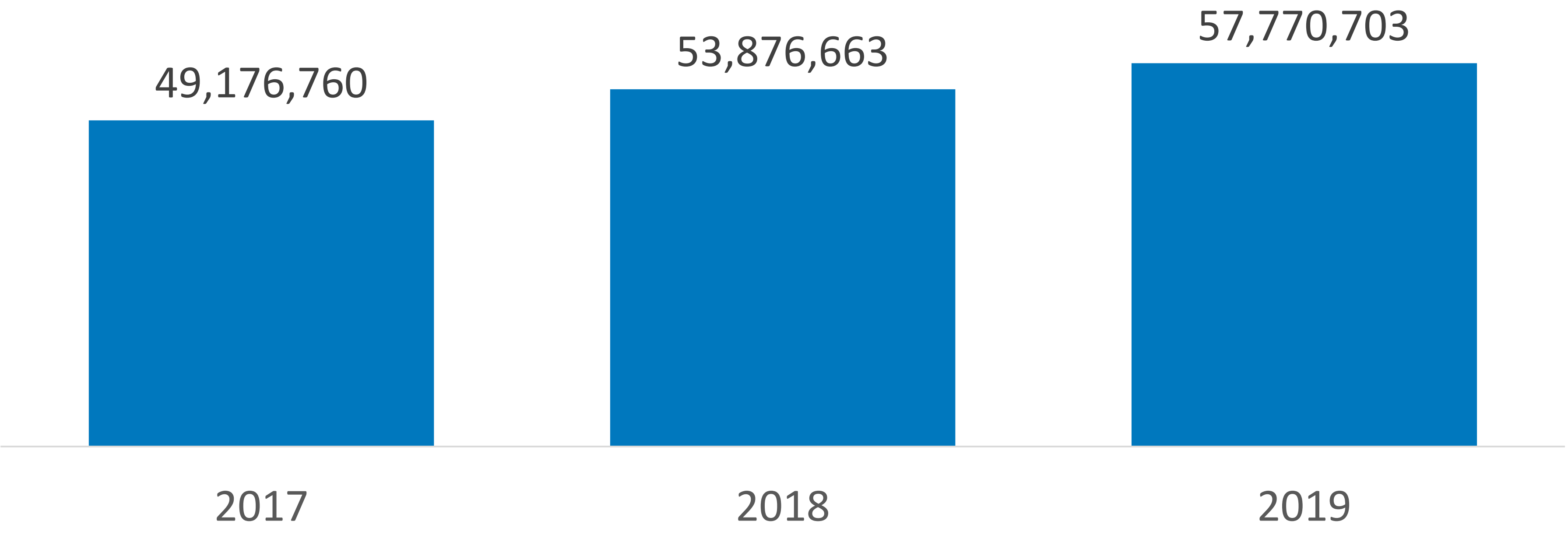
Total Foodservice Operator Spend
$272 Billion



Mango Category Sizing Results

Fresh and Frozen Mango Pounds

In 2019 57.8 MM pounds of mango were sold into foodservice in the US; a compounded annual growth rate of 8.4% between 2017 and 2019



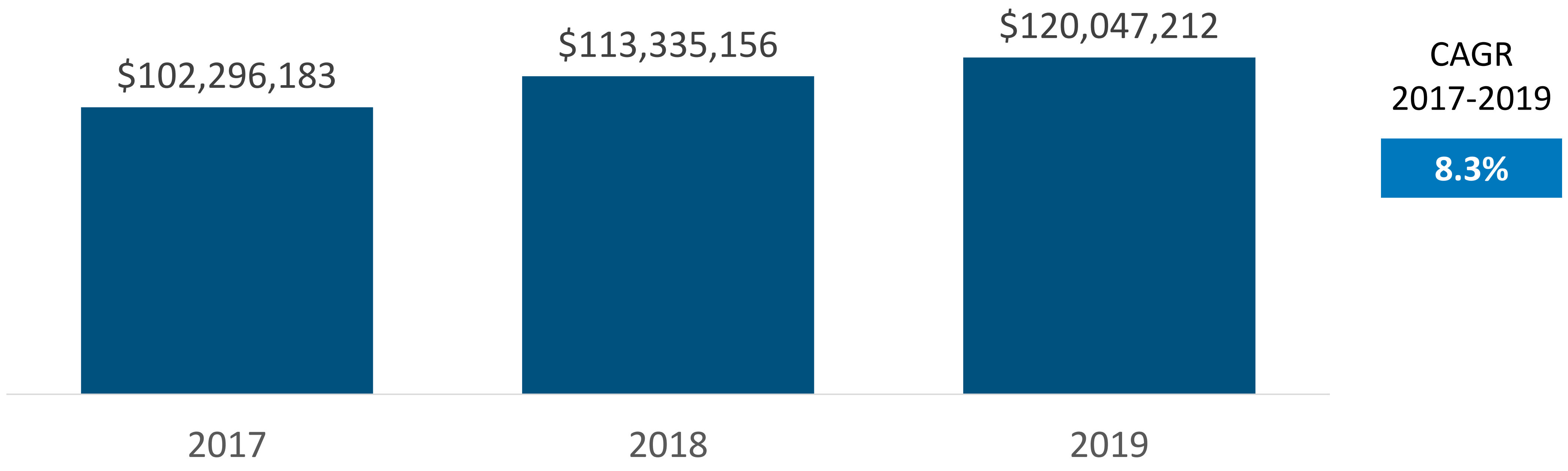
CAGR
2017-2019

8.4%

Source: NPD Foodservice Category Sizing, Data Ending December 2019; Includes All Labels

Fresh and Frozen Mango Dollars

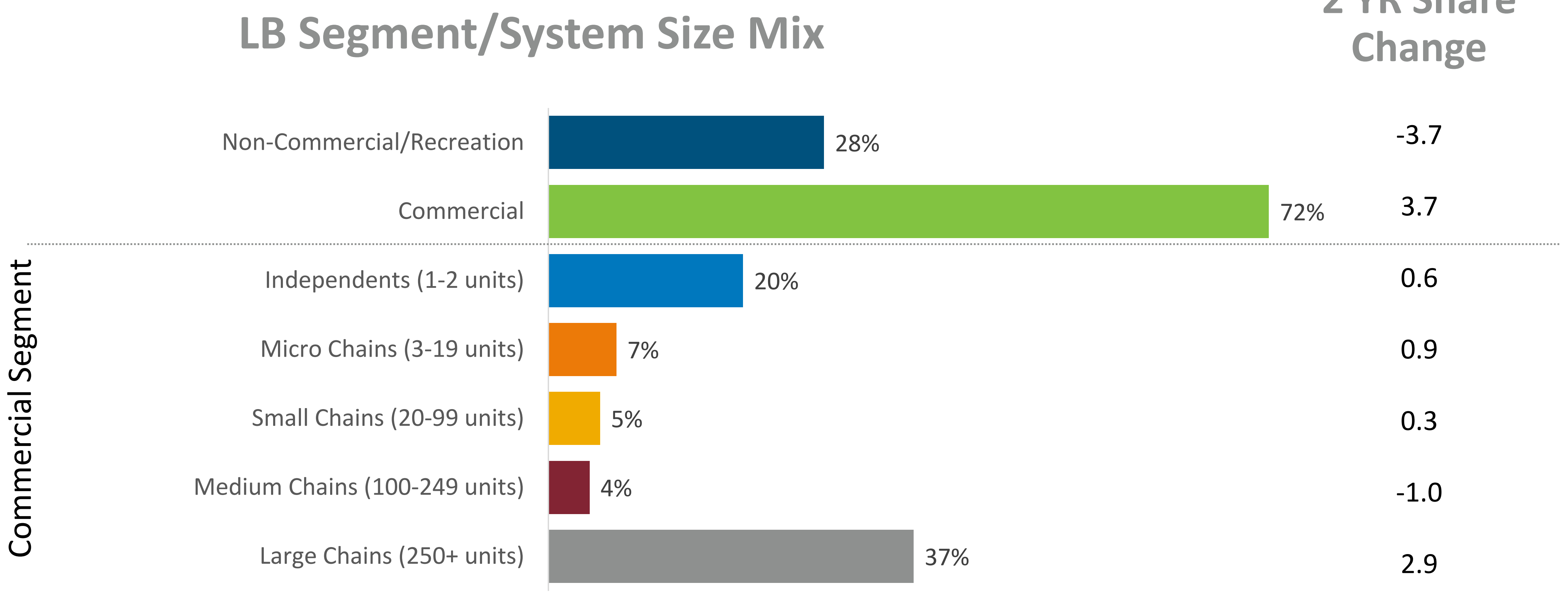
Dollars grew at a similar rate as pounds and posted $120 MM in 2019



Source: NPD Foodservice Category Sizing, Data Ending December 2019; Includes All Labels

Fresh & Frozen Mango by Segment Mix

Commercial business represents nearly 72% of the pound distribution with large chains representing just below 37% of commercial business



Source: NPD Foodservice Category Sizing, Data Ending December 2019; Includes All Labels

Fresh & Frozen Mango by Operator Segment

QSR represents 51% of the pound volume and grew 6pts faster than the rest of the category

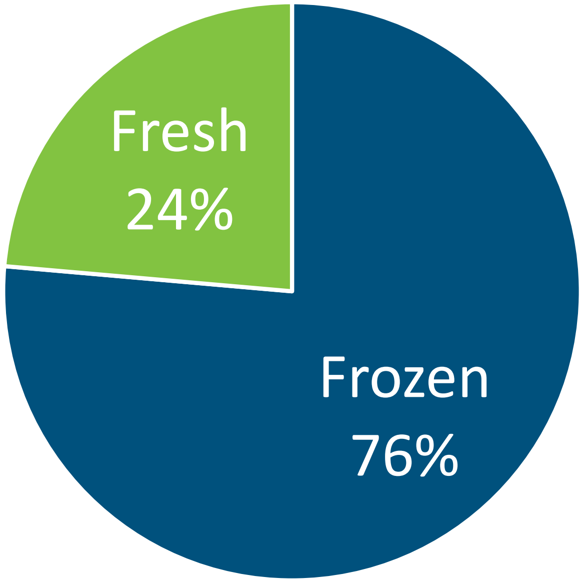
Segment	Total Industry LBS	Category Share	2 YR CAGR
Commercial	41,791,256	72%	11%
Quick Service Restaurants (QSR)	29,499,448	51%	14%
Full Service Restaurants (FSR)	8,175,659	14%	6%
C-Stores	376,652	1%	1%
Food Stores	1,751,465	3%	-7%
Other Retail	1,988,032	3%	18%
Non-Commercial / Recreation	15,979,448	28%	2%
Healthcare	3,119,230	5%	7%
Education	5,859,792	10%	-4%
Lodging/Casino	2,391,081	4%	-1%
Business and Industry	1,176,389	2%	3%
Recreation	1,376,023	2%	-1%
Government	495,405	1%	8%
Other Non-Commercial	1,561,528	3%	31%
Grand Total	57,770,703	100%	8%

Source: NPD Foodservice Category Sizing, Data Ending December 2019; Includes All Labels

Mangos by Storage

Frozen mangos dominate the market and grew 16pts faster than fresh

Mango Storage



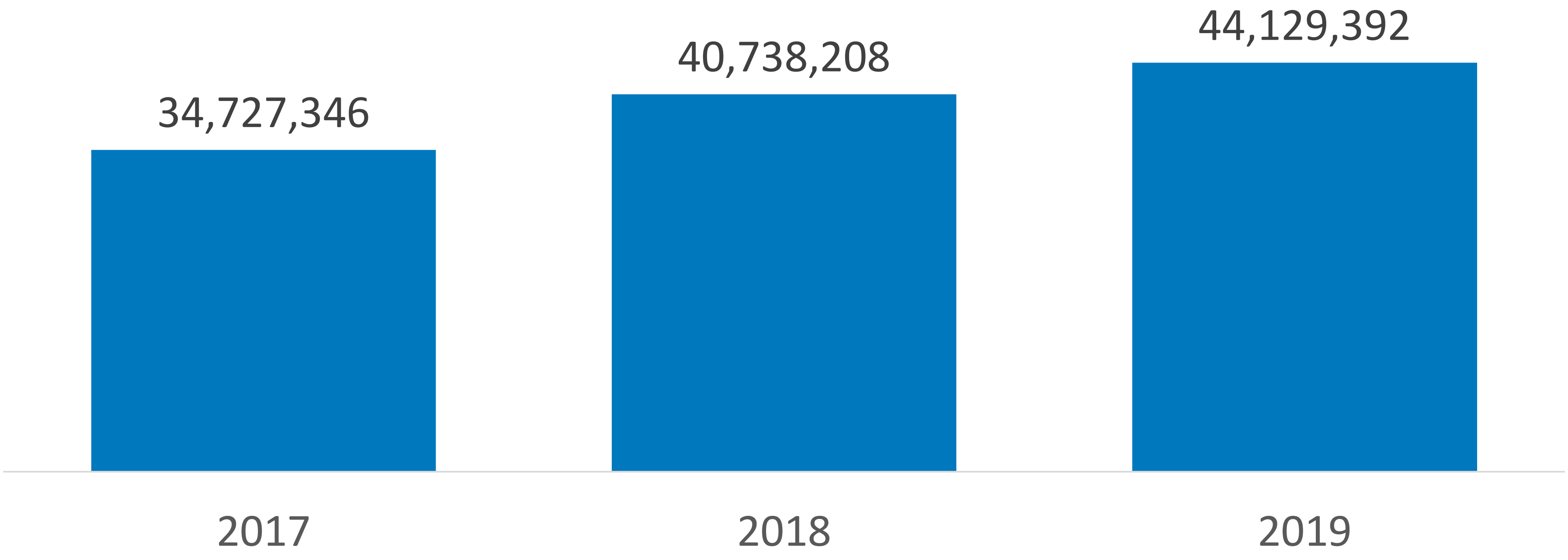
Storage Size & Trend

Storage	LBS	2 Yr CAGR
Frozen	44,129,392	13%
Fresh	13,641,311	-3%

Source: NPD Foodservice Category Sizing, Data Ending December 2019. Includes All Labels

Frozen Mango Pounds

In 2019, 44 MM pounds of frozen mango were sold into foodservice in the US; a compounded annual growth rate of 12.7% between 2017 and 2019



CAGR
2017-2019

12.7%

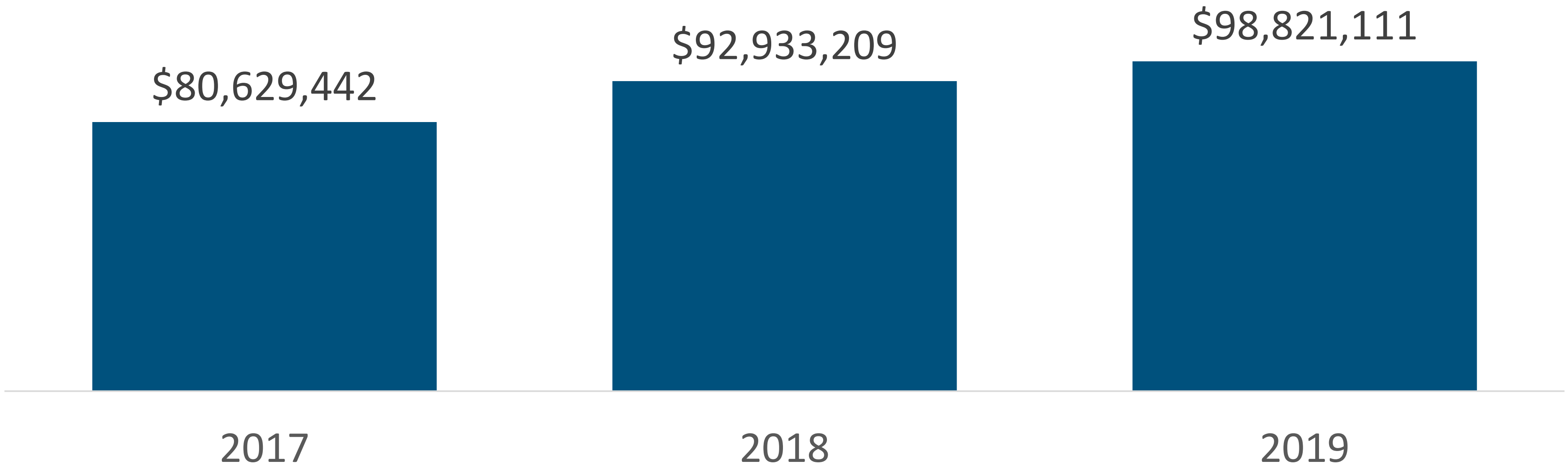
Outlook CAGR
2019-2022

10.4%

Source: NPD Foodservice Category Sizing, Data Ending December 2019; Includes All Labels

Frozen Mango Dollars

Frozen mango dollars posted a compounded annual growth rate of 10.7% between 2017 and 2019



CAGR
2017-2019

10.7%

Source: NPD Foodservice Category Sizing, Data Ending December 2019; Includes All Labels

Frozen Mango by Operator Segment

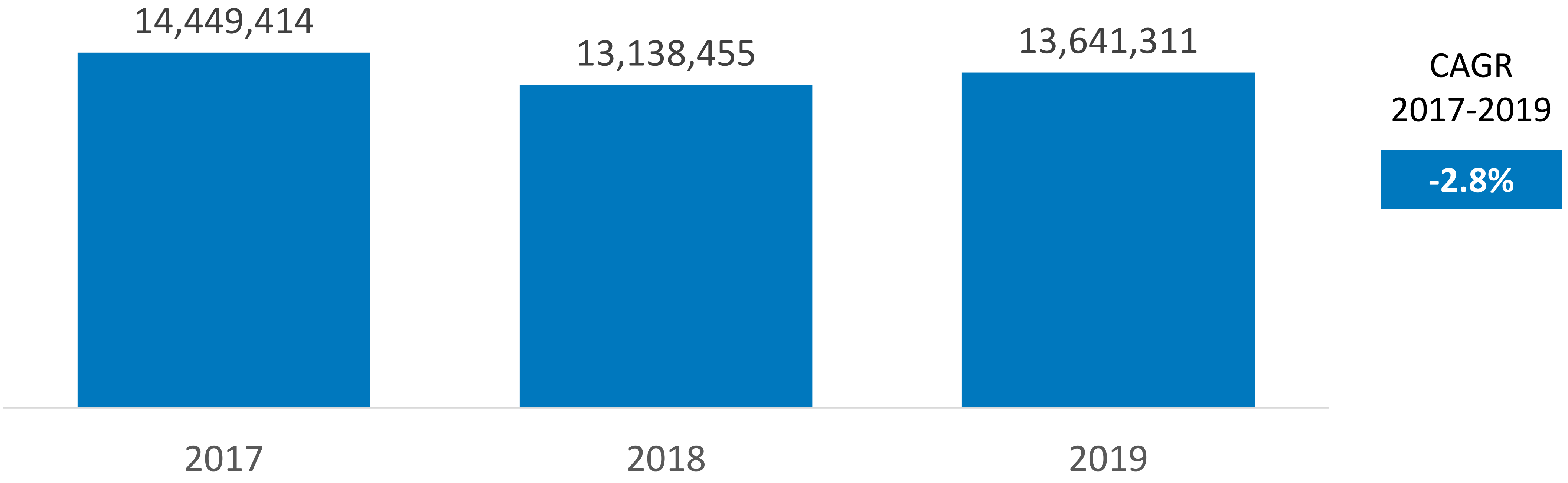
Commercial represents 78% of the pound volume and grew 4pts faster than the rest of the category

Segment	Total Industry LBS	Category Share	2 YR CAGR
Commercial	34,417,803	78%	17%
Non-Commercial / Recreation	9,711,589	22%	0%
Grand Total	44,129,392	100%	13%

Source: NPD Foodservice Category Sizing, Data Ending December 2019; Includes All Labels

Fresh Mango Pounds

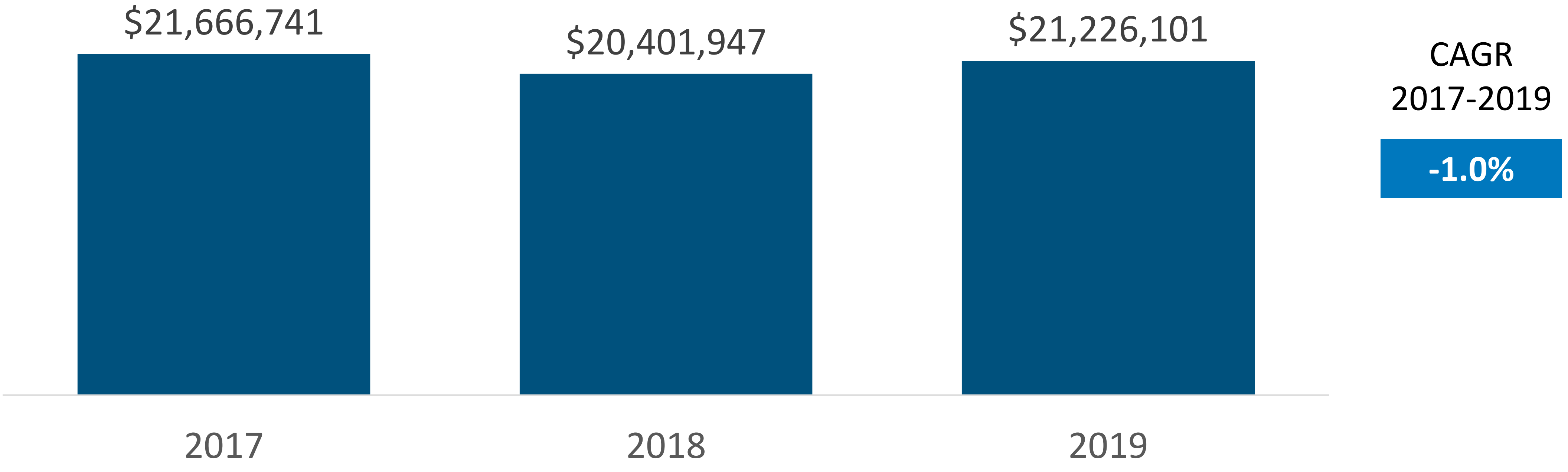
In 2019, 13.6 MM pounds of fresh mango were sold into foodservice in the US; a compounded annual decline rate of -2.8% between 2017 and 2019



Source: NPD Foodservice Category Sizing, Data Ending December 2019; Includes All Labels

Fresh Mango Dollars

Fresh mango dollars posted a compounded annual decline rate of -1.0% between 2017 and 2019



Source: NPD Foodservice Category Sizing, Data Ending December 2019; Includes All Labels

Fresh Mango by Operator Segment

Commercial represents 54% of the pound volume and declined -6pts faster than the rest of the category

Segment	Total Industry LBS	Category Share	2 YR CAGR
Commercial	7,373,453	54%	-9%
Non-Commercial / Recreation	6,267,859	46%	5%
Grand Total	13,641,311	100%	-3%

Source: NPD Foodservice Category Sizing, Data Ending December 2019; Includes All Labels

Storage by Format

Chunks/nuggets is the largest frozen form while whole is the largest within fresh

Frozen	2019 LBS	LB Distribution	2 Year CAGR
Chunks/Nuggets	21,937,987	38%	9%
Diced/Cubed	12,272,887	21%	25%
Puree/Pulp/Strained	7,158,809	12%	9%
Stems/Pieces/Tidbits	2,004,888	3%	5%
Sliced/Cut/Wedge/Halved	759,861	1%	37%
Frozen Mango Total	**21,937,987**	**76%**	**13%**
Fresh	**2019 LBS**	**LB Distribution**	**2 Year CAGR**
Whole	5,341,518	10%	1%
Sliced/Cut/Wedge/Halved	3,926,681	7%	-2%
Diced/Cubed	2,382,985	4%	-17%
Spears	1,073,502	2%	32%
Chunks/Nuggets	189,198	0%	-28%
Fresh Mango Total	**13,636,271**	**24%**	**-3%**

Source: NPD Foodservice Category Sizing, Data Ending December 2019; Includes All Labels

Competitive Fruits Comparison within Broadline

SupplyTrack Drives Broadline Insights

Monthly tracking service that provides visibility into every product shipped

Distributor POS

- Eleven of the largest broadline distributors including Sysco and US Foods
- Invoice-level data from 700,000 operators

NPD Aggregation

- Over 200 categories coded
- Projected to total broadline universe
- Data suppression rules applied

Distributor & Manufacturer Applications

- In-depth insights for categories, brands, items, product attributes, and operator segments
- Covers commercial and non-commercial operators
- Limited to unsuppressed detail

Broadline LBS Distribution – Competitive Fruits

While mango is ranked 10th in terms of pound volume within competitive fruits, it grew the fastest

Fruit	LB Distribution	2 Year CAGR
Banana	18%	2.8%
Avocados	15%	6.3%
Berries – Strawberries	13%	5.0%
Apple	13%	-2.4%
Orange	12%	3.7%
Pineapple	8%	3.0%
Lime	7%	6.0%
Grapes	4%	0.3%
Melon – Watermelon	3%	-4.2%
Mango	3%	10.3%
Berries - Blueberries	3%	8.9%
Peach	1%	0.1%

Source: NPD SupplyTrack, Data Ending December 2019

Trend and Share by Storage – Competitive Fruits

Mango has a higher percentage of frozen volume than most comparable fruit

Fruit	LB Fresh Fruit CAGR	LB Frozen Fruit CAGR	Fresh Fruit Share	Frozen Fruit Share
Banana	2.4%	16.1%	96%	4%
Avocados	6.7%	1.3%	93%	7%
Berries - Strawberries	3.7%	5.5%	27%	73%
Apple	-2.4%	-2.4%	94%	6%
Orange	3.7%	5.8%	100%	0%
Pineapple	0.4%	39.6%	90%	10%
Lime	6.0%	n/a	100%	0%
Grapes	0.3%	n/a	100%	0%
Melon - Watermelon	-4.2%	24.0%	100%	0%
Mango	-2.9%	14.1%	19%	81%
Berries - Blueberries	15.1%	6.6%	29%	71%
Peach	7.0%	-0.4%	8%	92%

Source: NPD SupplyTrack, Data Ending December 2019

QUESTIONS?