

SPECIALTY CROPS SECTOR UPDATE

SEPTEMBER 2026

The fruit and vegetable sector represents a significant share of U.S. agriculture, generating approximately \$62.4 billion in farm-level production value in 2022—roughly 22% of the value of all U.S. crop production. The sector is characterized by a diverse base of growers operating within supply chains where packing, processing, distribution, and access to major retail and foodservice markets are often more concentrated.

Key sector developments include:

- **Consolidation among specialty crop companies increasingly centers on controlling market access.** Mergers, acquisitions, vertical integration, and strategic partnerships are expanding firms' control across growing, packing, processing, marketing, distribution, and sales. As these functions consolidate, growers become increasingly dependent on fewer companies and channels to reach major buyers.
- **U.S. reliance on imported fruits and vegetables continues to grow.** The United States shifted from being a net exporter of fruits and vegetables to a net importer in the 1990s, but the imbalance has grown substantially in recent years. In 2023, imports of fresh and processed fruits and vegetables totaled \$45.3 billion compared with \$9.3 billion in exports, producing a \$36 billion trade deficit—nearly twice the inflation-adjusted deficit a decade earlier. Imports also account for a growing share of U.S. fresh fruit and vegetable availability.¹
- **Federal support for specialty crop growers is expanding.** Recent U.S. Department of Agriculture (USDA) programs have provided direct and emergency assistance that historically was not available to specialty crop producers, while recent farm bill proposals have included provisions aimed at establishing more durable support mechanisms for the sector.
- **Food safety failures can have increasingly broad consequences in consolidated supply chains.** The recent *Cyclospora* outbreak linked to shredded lettuce supplied by Taylor Farms demonstrated how an outbreak involving a major supplier affects consumers, farmers, and markets nationwide.

Market Structure and Concentration

Current data show substantial concentration across processed food and drinks and fresh-produce markets:

Processed Food and Drinks CR4s:²

- Juice: 47%
- Table Sauce: 53%
- Bottled/Canned Green Beans: 56%
- Canned Tomatoes: 58%
- Canned Potatoes/Sweet Potatoes: 59%
- Prepared Salad: 68%
- Wine: 69%
- Prepared Soup: 70%
- Almond Milk: 81%
- Dips: 90.7%

Berries:³

- Driscoll's is dominant in berries.
 - In 2017, Driscoll's controlled approximately 1/3 of the U.S. berry market and 60% of the organic strawberry market.
 - In 2011, Driscoll's was estimated to supply 90% of raspberry sales in conventional markets.

Fresh-Cut Salad CR4: 54%⁴

- Dominant firms: Cultrale-Safra, Itochu, Taylor Fresh Foods, and Bonduelle
- Cultrale-Safra: 21% of sales

Carrots CR2: 60%⁵

- 60% of carrots are produced by just two companies: Bolthouse and Grimmway

Orange and Citrus CR2: 23.3%⁶

- 23.3% of orange and citrus groves are controlled by two companies: The Wonderful Company and King Ranch

The specialty crop sector's consolidated market structure is characterized by fragmented production while a few large companies control the markets downstream.

In the produce industry, an estimated 40%–50% of sales move through foodservice distributors and roughly 50%–60% through retail grocery, with large chains accounting for a substantial share of retail demand.

Regulatory, Legal, and Policy Environment

Federal support for specialty crop producers has expanded in recent years, including through emergency assistance that historically has not been available to the sector. USDA programs such as the Marketing Assistance for Specialty Crops (MASC) program and the Assistance for Specialty Crop Farmers (ASCF) program mark an important shift toward providing specialty crop growers with direct assistance in response to rising production costs and market disruptions. Recent farm bill proposals have similarly included provisions to strengthen specialty crop support and develop more durable emergency assistance mechanisms. These developments reflect growing recognition that existing farm support programs, largely designed around major commodity crops, have not adequately addressed the risks and costs facing specialty crop producers.

Food safety policy has also been in the spotlight as large-scale outbreaks expose vulnerabilities in increasingly consolidated produce supply chains. The recent *Cyclospora* outbreak linked to shredded iceberg lettuce supplied by Taylor Farms sickened thousands of people across the country, illustrating how food-safety failures involving a major supplier can have national consequences. The Food and Drug Administration's (FDA) Food Traceability Rule was designed to improve the speed and accuracy of traceback during outbreaks like this one, but its implementation—originally scheduled for January 2026—was delayed by 30 months following industry pushback, including from trade groups connected to Taylor Farms.⁷ The outbreak has renewed questions about whether current food-safety oversight and traceability requirements are keeping pace with the scale and concentration of modern produce supply chains.

Structural Developments

Consolidation among specialty crop companies increasingly extends beyond production itself to control over the infrastructure and relationships that determine market access. Through vertical integration, mergers, acquisitions, and strategic partnerships, major firms are expanding their reach across growing, packing, processing, marketing, distribution, and sales. At the same time, consolidation among grocery retailers and foodservice distributors means that growers and their intermediaries are increasingly selling into markets dominated by a small number of large buyers.

This concentration of market access can leave growers with fewer competitive outlets and less leverage to negotiate prices or pass along rising labor, land, input, and regulatory costs. The risks become particularly visible when a major buyer exits a market. A recent disruption in California's peach industry, where the closure of a dominant processor left growers with limited alternative outlets, demonstrates how dependence on a small number of buyers can expose an entire growing region to significant market disruption. More broadly, consolidation among retailers can reinforce upstream consolidation, as packers and distributors seek the scale necessary to serve increasingly large buyers.

Mergers, Acquisitions, and Divestitures

Recent structural developments show continued consolidation across growing, packing, and marketing operations.

Company	Acquisition/Divestiture/Merger	Market	Price
Mission Produce	Calavo Growers acquisition	Fruit	\$430 million ⁸
Grub Market	Coast Citrus Distributors acquisition ⁹	Fruit	N/A
Creekside Organics Inc.	Fruit World and Creekside Organics merger ¹⁰	Fruit/Vegetable	N/A
Legendary Fruit Company	Legacy Fruit and Chelan Fruit merger ¹¹	Fruit	N/A
Classic Fruit	Classic Fruit and Westside Produce merger ¹²	Fruit	N/A
Taylor Farms	Equinox Growers acquisition ¹³	Vegetables	N/A
Shuman Farms	Generation Farms acquisition ¹⁴	Vegetables	N/A
80 Acres Farms	Kalera Inc. acquisition ¹⁵	Vegetables	N/A
Dole PLC	Dole's Fresh Vegetables Division divestiture	Vegetables	\$140 million ¹⁶

Other Notable Structural Developments

- Del Monte closed its canneries and canceled more than \$550 million in long-term contracts.¹⁷
- Dole Diversified North America and Oppy, both subsidiaries of Dole PLC, were strategically integrated to “expand the visibility and strength of the Dole brand.”¹⁸
- Brewster Heights Packing & Orchards filed for Chapter 11 restructuring in U.S. bankruptcy court.¹⁹
- Dole PLC’s previous attempt to sell its Fresh Vegetables Division to Fresh Express was blocked by the Department of Justice.²⁰

Conclusion

Recent developments in the specialty crop sector show that consolidation is increasingly expressed through control of market access and supply-chain infrastructure. Growers operate within a system where production is fragmented, but downstream buyers, processors, packers, distributors, and retailers can be highly concentrated. This structure limits growers’ bargaining power, increases exposure to buyer decisions, and can magnify the effects of disruptions such as processor closures or contract cancellations.

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