

2025 47th Annual Retailer Survey

What are the main challenges impacting independent natural products retailers, and how are they faring?

Find out!

By Jay Jacobowitz and Maggie Jaqua

What are your goals, your pain points, your bright spots? Independent natural products retailers answer that question in our 2025 Annual Retailer Survey, now in its 47th year. This survey is designed to go deeper than the data, to help industry members understand the state of independent retail. Hear directly from our respondents on top challenges in our "Retailers Sound Off" section on page 8, and take a deep dive into the numbers on these next nine pages.

Once again this year, **WholeFoods Magazine** partnered with Readex Research to survey independent natural organic retailers, gathering results for the 12 months ending in June 2024. To the retailers who participated in this year's survey, thank you for supporting this educational effort. This survey is used by natural products retailers to measure and improve business, and by natural products industry members throughout the supply chain to better understand and support their retail partners. Your input helps us deliver what we believe is the most accurate picture of independent natural products retailing in the U.S. today.

As you read, keep this important background information in mind: This survey is like sampling a glass of vintage cabernet sauvignon. Each year, we taste from a different vineyard—the different group of respondents that participates in the survey each year. We also ask each year's group of respondents to tell us about their own prior year's results—like sampling two

vintages from the same vineyard. This yields our same-store results.

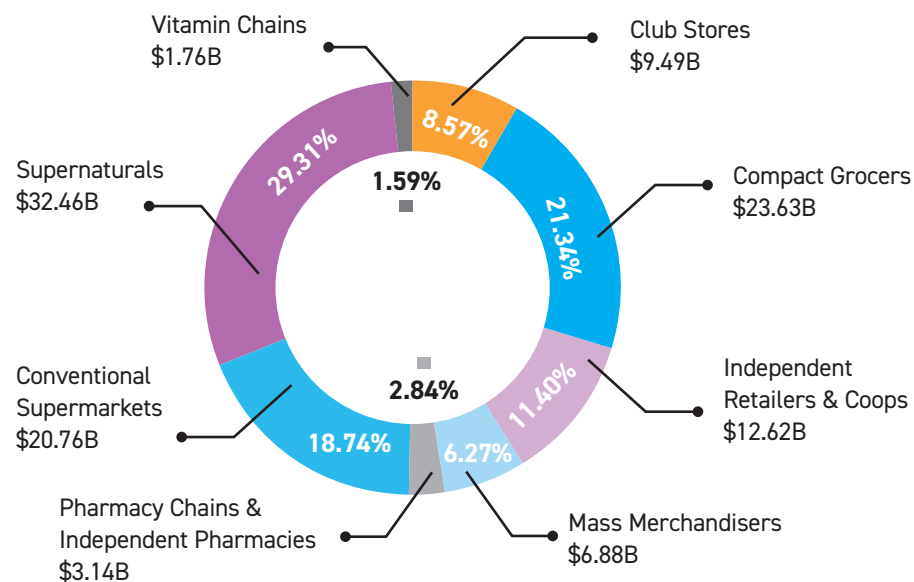
The key point this survey reveals: **What is the bottom line for independent retailers?** Did they fare better, or worse, during the 12-month survey period ending June 2024? We answer that question, plus explore its impacts, in this survey.

Taking a wider view of our industry: Sales from *all* U.S. independent natural retailers hit \$12.62 billion in 2024. Expanding out beyond independents, total natural organic sales through all eight retail and food-store channels (including supernaturals such as Amazon Whole Foods Market and

Sprouts Farmers Market; conventional supermarkets; mass merchandisers; pharmacies; and vitamin chain stores) was \$110.75 billion (see below). For a complete update of the U.S. natural organic retail market, see the Retail Insights® 2025 Retail Universe for U.S. Premium Natural, Organic Food, Supplement & Personal Care Sales on page 32.

Now, let's explore the detailed survey findings that can help you determine how your store stacks up in the independent space, and provide you with valuable insights that can help you strengthen your business in the years to come.

The Retail Insights® 2025 Retail Universe: Natural & Organic Sales
How the 8 channels divide \$110.75 billion natural sales and market share.



2025 Retailer Survey

Part 1: Who responded to the 2025 survey?

Respondents to this survey are primarily owners/CEOs/presidents (64%) and general or store managers (22%). A final 14% had some other job duty, such as category buyer or purchasing manager; IT, logistics, or customer service manager; or nutritionist, pharmacist, or practitioner.

The average years of current ownership continues to trend down, this year to 22 years, signaling an increasing number of retiring founders selling their

stores. The average age of the business since founding was 31 years, typical of all of our annual surveys. The oldest store in the survey was 89 years. The youngest, just one year.

Respondent fast facts:

- ▶ 81% of respondents are Natural products or health foods stores.
- ▶ 9% Natural practitioners/doctors carrying natural products inventory.
- ▶ 4% Natural products coop stores.

- ▶ 4% Drug stores/natural pharmacies.
- ▶ 1% Natural products supermarkets.
- ▶ 84% of survey respondents operate one store; 6% operate two stores; 7% operate between three and six stores; 3% operate seven or more stores (one respondent operates nine stores, and another operates 15).
- ▶ 69% of respondents rent their space; 31% own the real estate.

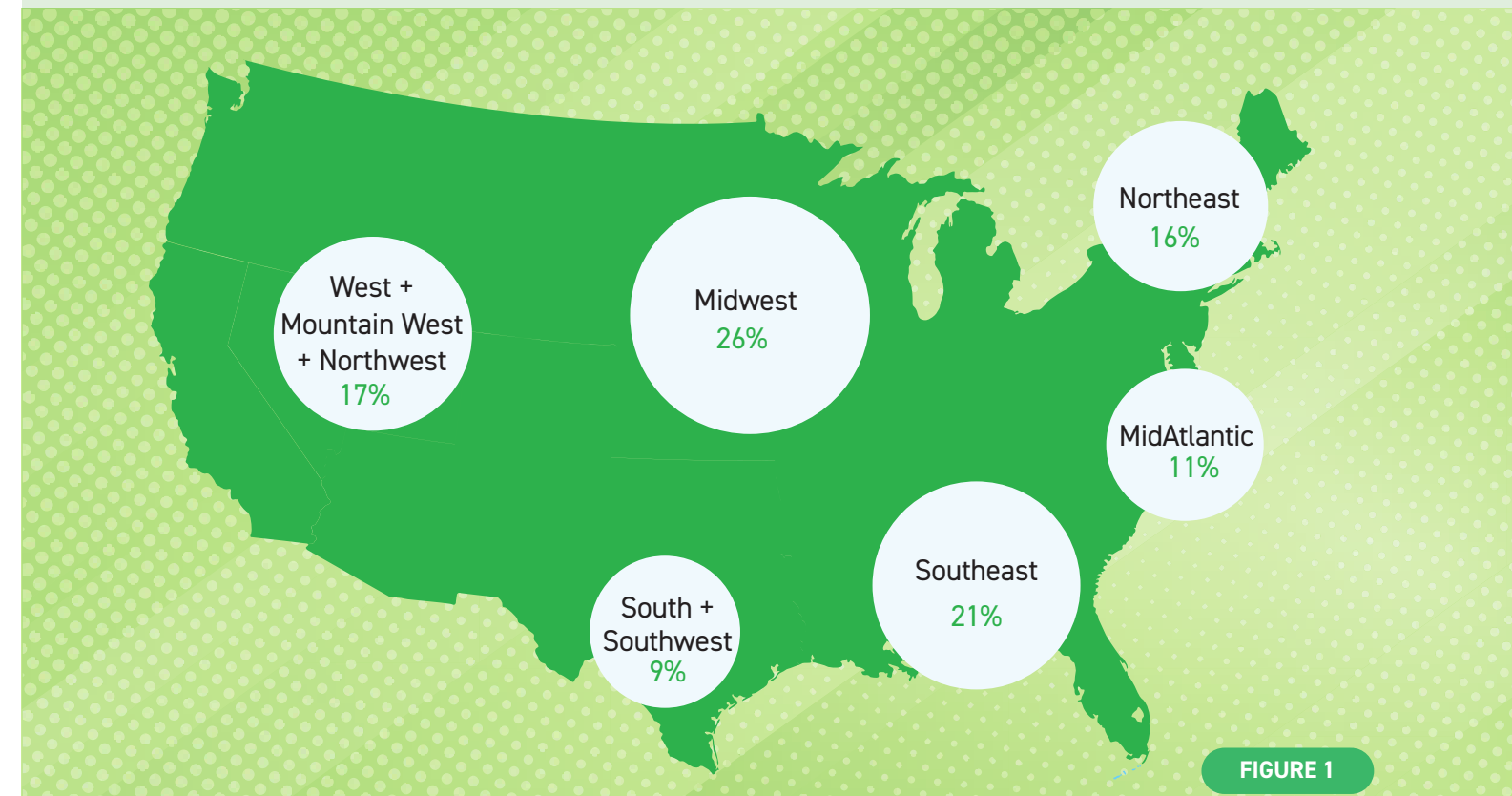


FIGURE 1

Once again, respondents to our annual retailer survey hailed from all parts of the United States, with 26% located in the Midwest, followed by 21% located in the Southeast. Another 17% of respondents come from the West, Mountain West, and Northwest regions, while 16% are located in the Northeast, 11% in the MidAtlantic region, and 9%

are located in the South and Southwest (see figure 1).

Respondents represent every size market (see below), giving us an in-depth picture of independent retail in the natural products industry.

- ▶ 33% Large town or rural area (population less than 50,000)

- ▶ 28% Small city (population 50,000 - 99,999)
- ▶ 20% Major metropolitan area (population 1,000,000+)
- ▶ 13% Medium city or suburb (population 100,000 - 299,999)
- ▶ 7% Large city or suburb (population 300,000 - 999,999)

Part 2: What were independents' results this year, and compared to last?

How to Use This Survey

If you are an independent natural products retailer, you can compare your results to stores in this survey that are most like yours by looking at your perishables as a percentage of your total sales. That number will place you in one of the survey's five groups, which range

from no perishables in Group 5 to at least 51% perishables in Group 1.

By comparing your results to your peers with similar perishables sales, you will uncover the results that are most relevant to you and your business.

Which group are you in? Find out in these three simple steps:

1. Tally up your sales from four main perishable fresh-foods departments: refrigerated, frozen, produce and prepared foods.
2. Calculate what percentage of your total sales these four categories represent.
3. Compare your results to similar stores in your corresponding Group—1, 2, 3, 4, or 5 (see figure 2).

% Perishables Range and Average \$ Perishables by Group

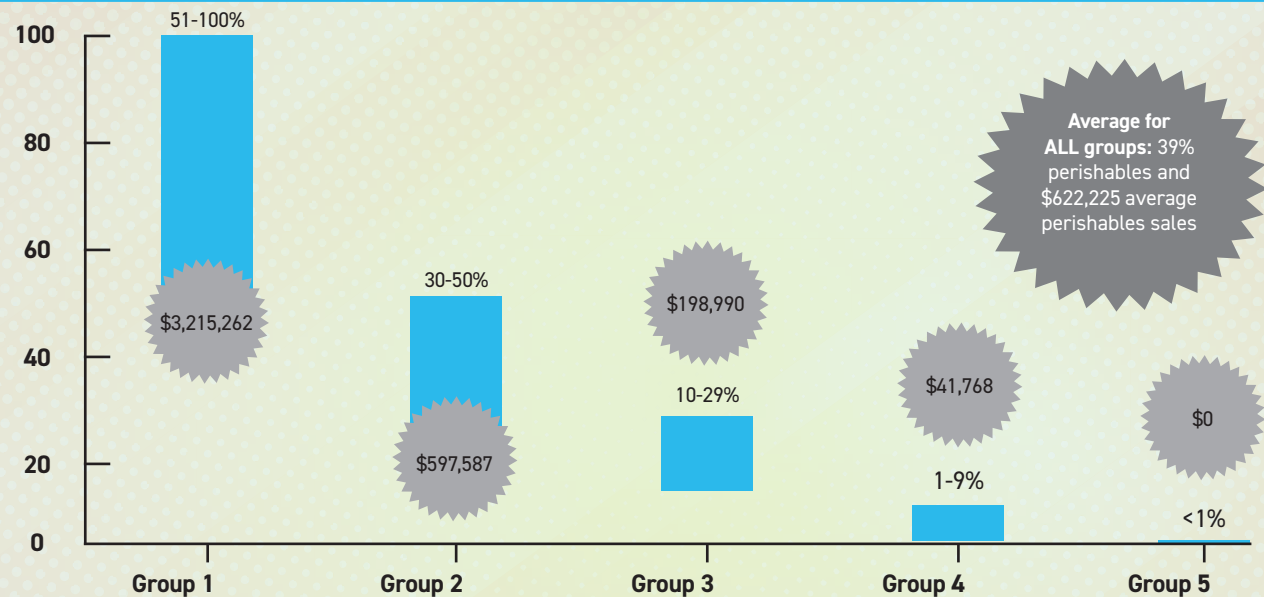


FIGURE 2

As in this survey every year, we segment respondents by the percentage of fresh perishable foods they sell, meaning refrigerated grocery, frozen foods, fresh produce, and prepared foods. Average perishables percentage of sales for this year's vintage of natural foods store came in at 39%, similar to results in prior years' survey results. (Please see Figures 6 and 7, as well as expanded coverage *WholeFoodsMagazine.com*, for detailed sales by department.)

Regarding our methodology, every respondent has equal weight, regardless of whether they have one store or a dozen. We ask respondents to report an average operating result for those with multi-stores. For each variable, we take the center point result after discarding the outliers on the high and low sides. We only use surveys that tell us the percentage of sales by department for all departments, regardless of what other questions they may answer.



Same-Store Sales Change Year-Over-Year - 2025 vs. 2024

Group	2025 Total Sales	Average \$ Change Y-o-Y	Average % Change Y-o-Y
1	\$5,379,585	\$210,260	3.91%
2	\$1,508,673	\$31,815	2.11%
3	\$1,240,796	\$15,472	1.25%
4	\$963,741	\$7,178	0.74%
5	\$436,750	\$717	0.16%
Average	\$1,592,628	\$41,323	2.59%

FIGURE 3

By mid-year 2024, sales were strengthening in independent natural products retailers, with **this year's survey respondents reporting an average 2.59% year-over-year increase**

in sales (see Figure 3). Interested readers will enjoy reviewing our [January 2025](#) issue with interviews of many of these same independent natural retailers, who [reported](#)

[significantly strengthening sales](#) in the second half of 2024. This forecast bodes well for next year's survey, when we will report results for the 12 months ending this coming June 2025.

Annual Profit & Loss Percentages

Group	% GPM	% Labor	% Rent	% Advertising & Marketing	% Other	% Net Profit
1	37.46%	21.04%	3.50%	1.33%	9.24%	2.35%
2	38.16%	20.55%	6.63%	1.28%	6.95%	2.76%
3	39.18%	19.77%	5.31%	0.92%	11.23%	1.96%
4	41.05%	17.70%	4.69%	0.65%	13.13%	4.88%
5	40.61%	15.80%	4.96%	0.78%	13.72%	5.35%
Average	38.30%	20.22%	4.42%	1.17%	9.73%	2.76%

FIGURE 4

Survey respondents turned in net profits averaging 2.76% overall, which is quite respectable considering all the external and internal pressures they faced this year. Small supplement-focused stores

banked the highest profit percentages: 5.35% for Group 5, and 4.88% for Group 4. Our largest perishables stores in Groups 1 and 2 preserved 2.35% and 2.76% net profit, respectively, rather remarkable

considering their high labor costs of 20% to 21%. (See Figure 8, plus expanded online coverage, for detailed breakdowns of net profits, labor costs, rent, and advertising and marketing spend.)

Total Sales Per Year, Per Gross Lease Area (GLA), and Per Retail SF

FIGURE 5

Group	Total Sales	\$ / GLA SF	\$ / Retail Area SF
1	\$5,379,585	\$879.93	\$1,136.53
2	\$1,508,673	\$471.49	\$600.23
3	\$1,240,796	\$398.50	\$478.48
4	\$963,741	\$535.10	\$620.83
5	\$436,750	\$353.90	\$402.96
Average	\$1,592,628	\$561.51	\$683.26

Average sales for all stores in this year's survey were \$1.59 million, with average annual sales per gross lease area (GLA) square foot of \$561.51.

When measuring just the retail selling area, annual sales per retailing square foot reached a robust \$683.26. As the perishables percentage of sales

increased, so did average annual sales, which range from \$436,750 in Group 5 up to \$5.38 million for those stores in Group 1.

Annual % Increase and % Decrease in Same-Store Sales by Department

Group	Supplements & Vitamins	HABA	Dry Grocery	Refrigerated	Frozen	Produce	Prepared Foods	Bulk	Non-Food, HHD	Total % Change	Total \$ Change
1	-0.4%	-0.3%	3.0%	4.2%	3.9%	6.3%	6.9%	2.1%	0.3%	3.91%	\$210,260
2	0.3%	0.2%	0.8%	3.9%	3.6%	5.6%	5.4%	1.6%	1.0%	2.11%	\$31,815
3	2.2%	0.8%	0.5%	0.4%	0.2%	-0.5%	0.0%	0.9%	0.5%	1.25%	\$15,472
4	0.8%	-0.1%	1.7%	0.4%	0.4%	0.0%	0.0%	1.3%	0.1%	0.74%	\$7,178
5	0.2%	0.1%	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%	-2.2%	0.16%	\$717
Average	0.06%	0.01%	0.23%	0.42%	0.35%	0.64%	0.66%	0.18%	0.03%	2.59%	\$41,423

The lion's share of profits go to the high-perishables stores in Group 1, which are up 3.91% overall with a \$210,260 gain. Group 2 follows, with an increase of \$31,815.

Taking a closer look at which specific categories drove sales, the highest percentage increases were concentrated in the four perishables departments in Groups 1 and 2: refrigerated grocery, up 4.2% in Group 1 and 3.9% in Group 2; frozen, up 3.9% and 3.6%, respectively; produce, up

6.3% and 5.6% in these two groups; and prepared foods, up 6.9% and 5.4%, respectively.

Group 1 also saw dry grocery grow 3%, and bulk foods increased by 2.1%. Stores in Group 3 saw a significant 2.2% increase in supplements and vitamins.

Very few departments in any group saw sales decreases, but there were some declines. The -0.5% decrease in fresh produce sales for stores in Group 3 is a red flag. These stores averaged just 1.6% of sales from produce, and

only 16% of sales from all perishables. That appears to be too few to attract daily shoppers looking for dinner or other meal periods. In fact, stores in Group 3, at 2,800 GLA square feet, are really overgrown supplement stores, with 44% of sales from vitamins and 12% from health and beauty aids, generating over half their sales from these two categories.

(See expanded online coverage for annual dollar increase/decrease in same-store sales by department.)

Percentage Sales by Department

FIGURE 6

Group	Supplements & Vitamins	HABA	Dry Grocery	Refrigerated	Frozen	Produce	Prepared Food	Bulk	Non-Food, HHD
1	5.8%	3.2%	19.9%	18.0%	9.5%	19.5%	12.8%	4.9%	6.4%
2	31.9%	10.2%	10.3%	11.5%	9.2%	10.5%	8.4%	2.2%	5.8%
3	43.6%	11.6%	17.2%	4.6%	6.0%	1.6%	3.8%	3.7%	7.8%
4	67.0%	12.0%	11.6%	2.5%	1.3%	0.3%	0.2%	2.6%	2.5%
5	83.8%	8.3%	4.4%	0.0%	0.0%	0.0%	0.0%	0.2%	3.3%
Average	28.7%	6.8%	16.0%	11.8%	7.1%	11.8%	8.3%	3.7%	5.8%

Overall for this year's survey, vitamins and supplements made up an average of 28.7% of total sales. HABA (personal care) clocked in at 6.8%, with dry

grocery posting 16% of total sales. Bulk foods made up 3.7%, while non-foods and household registered a surprisingly strong 5.8% overall.

The four perishables departments; refrigerated grocery, frozen, fresh produce, and prepared foods combined to reach 39.1% of sales.

FIGURE 7

Annual Net Profit \$ & %

FIGURE 8

Group	% Perishables Range	Total Sales	Annual Net Profit \$	Annual Net Profit %
1	51-100%	\$5,379,585	\$126,420	2.35%
2	30-50%	\$1,508,673	\$41,639	2.76%
3	10-29%	\$1,240,796	\$24,320	1.96%
4	1-9%	\$963,741	\$47,031	4.88%
5	<1%	\$436,750	\$23,366	5.35%
Average	39%	\$1,592,628	\$43,916	2.76%

Average Sales Per Customer, Average Customers & Sales Per Day **FIGURE 9**

Group	Average Transaction	Customers Per Day	Sales Per Day	Selling Days Per Year
1	\$40.22	395	\$15,897	338
2	\$47.97	99	\$4,749	318
3	\$42.54	101	\$4,286	290
4	\$46.55	65	\$3,010	320
5	\$48.06	30	\$1,465	298
Average	\$42.69	121	\$5,147	309

As we've seen in prior surveys, as the percentage of perishables sales increases, so too do store sizes, customer counts, and sales per day. Average sales per customer

were \$42.69, and ranged from \$40.22 in Group 1 to \$48.06 in Group 5, one of the tightest clusters of average transactions we've seen in the survey. Customer counts

were lowest in our smallest supplement stores, at 30 customers per day, and highest in our largest fresh-food stores, at 395 customers per day.

E-commerce Sales

Nearly six in 10 stores (59.5%) told us they do not sell online, and 15.4% report online sales of less than 5%. One in six stores (16.9%) generate between 6% and 74% of sales from e-commerce. Just over one in 20 stores (6.2%) get between 75% and 99% of sales from e-commerce. Two percent of stores sell exclusively online, and their results do not influence survey data (see Figure 10).

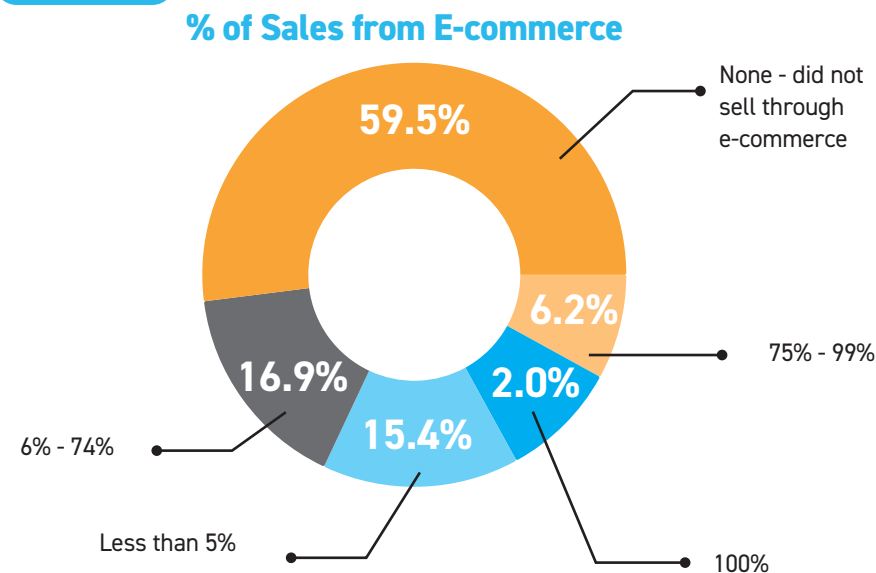
Competition from online sellers is a

pain point for many of our respondents. One retailer told us, "The click and receive mentality is hurting brick and mortar business—more so locally owned [small] business. Big Box stores have the resources to incorporate online and physical sales, whereas small businesses are challenged by the expense to do so and deal with the obstacles larger businesses create for smaller businesses (knowingly and unknowingly)."

Still, there is optimism among the respondents. Another retailer observed, "I think brick and mortar is doing well, despite earlier predictions that we saw when COVID lockdowns happened. People like in-store shopping. We heard from [one major supplement manufacturer] that the vast majority of their business is in-store in the natural channel, which emphasized our observation."



FIGURE 10



Part 3: How did retailers market and manage their business?

Cost of goods (COGS) margins hovered around 60%, slightly higher for large perishables stores in Group 1, at 62.54%, and slightly lower for supplement-focused stores in Group 4, at 58.95%. These margins compare favorably historically, proving that independent natural retailers have

weathered supply chain, inflation, and competitive storm clouds. Consistent with our yearly survey findings, stores with higher perishables sales turn their inventories over faster than stores with fewer perishables and more shelf-stable items such as vitamins and supplements. Our largest

perishables stores turned inventory 13.66 times per year, or just over once per month, every 26.7 days. At the other end of the spectrum, our smallest supplement-oriented stores got fewer than five inventory turns per year (4.56), which is about once every 80 days.

Cost of Goods, Gross Profit Margin, and Inventory Value & Turns **FIGURE 11**

Group	% Perishables Range	Total Sales	COGS %	GPM %	Wholesale Inventory Value	Retail Inventory Value	Annual Inventory Turns
1	51-100%	\$5,379,585	62.54%	37.46%	\$246,295	\$393,820	13.66
2	30-50%	\$1,508,673	61.84%	38.16%	\$97,693	\$157,976	9.55
3	10-29%	\$1,240,796	60.82%	39.18%	\$90,378	\$148,598	8.35
4	1-9%	\$963,741	58.95%	41.05%	\$111,616	\$189,340	5.09
5	<1%	\$436,750	59.39%	40.61%	\$56,883	\$95,778	4.56
Average	39%	\$1,592,628	61.70%	38.30%	\$101,619	\$164,704	9.67

Investing in Employees

Full-Time Equivalent (FTE) 35-Hour Employees per SF & Hourly Pay **FIGURE 12**

Group	% Perishables Range	Total Sales	FTE 35-Hour Employees / GLA SF	Average Hourly Pay	Weekly Labor \$	% Labor Costs
1	51-100%	\$5,379,585	4.85	\$20.96	\$21,767	21.04%
2	30-50%	\$1,508,673	1.82	\$19.72	\$5,962	20.55%
3	10-29%	\$1,240,796	2.55	\$18.85	\$4,717	19.77%
4	1-9%	\$963,741	2.53	\$16.04	\$3,280	17.70%
5	<1%	\$436,750	2.00	\$15.37	\$1,327	15.80%
Average	39%	\$1,592,628	3.06	\$19.69	\$6,193	20.22%

The high-perishables stores in Group 1 require nearly five full-time-equivalent employees (FTEs) per 1,000 square feet (4.85/M). Stores in Group 2 appear to be staffed leaner than all other groups, at 1.82 FTEs per 1,000 square feet. This may be because, at 4,700 GLA average, they have more square footage than they need for their \$1.5 million average volume.

Staffing came up as a pain point for respondents. One told us, "With minimum [wages] increased in some states, entry level positions are now paid at a much higher [rate]. The value of some of the roles does not demand \$15.00 per hour. It creates a natural increase for the experienced staff. So labor cost and cost of goods on the rise is challenging."

Another explained, "I can not understand why the government thinks that by raising minimum wage and increasing benefits we will better the economy. That will only force small businesses out of operation, decreasing competition in the market for consumers and raising pricing across all industries for all consumer goods."

What's Selling ↓

Regarding what products are driving purchases, we asked survey respondents to identify the one product or type of product that had the greatest impact on sales. In the supplement category, respondents pointed to blood sugar support, immune support, magnesium, healthy aging, berberine, CBD, curcumin, and probiotics.

Personal care items got several mentions, including castor oil, clean skincare products, shampoo, toothpaste, and soaps. In grocery, snack foods like chips, pretzels, and granola are driving sales, along with energy drinks, kefir, goat-milk products, and fresh produce.

We also asked about private label (see Figure 13). Nearly half (45%) of stores carry their own line of private label nutritional supplements, an historically high percentage of survey respondents. About one-fifth (18%) carry fewer than 25 private label SKUs, and another 18% carry between 25 and 199 SKUs. Just 8% of stores carry more than 200 SKUs, with one respondent telling us they stock 330 SKUs.

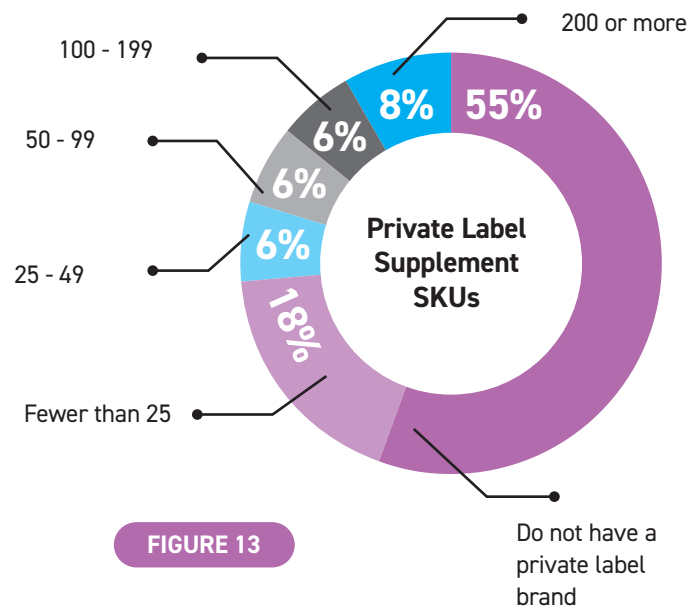


FIGURE 13

Shopping Preferences ↓

FIGURE 14

How Customers Obtain Orders	
Shop in-person, in-store	100%
Phone, email, or text orders in	59%
Pick up pre-orders in-store	35%
Receive via UPS, FedEx, USPS or another common carrier	29%
Pick up pre-orders curbside	20%
Use our website "Contact Us" area to pre-order products	18%
Receive via our online catalog with e-commerce online payment	9%
Receive via third-party online order/delivery app	8%
Receive via our delivery employee or contractors	5%
Receive via online order, third party warehouse fulfillment	3%
Other	2%

All of the retailers who responded to this year's survey reported that they permit customers to shop in-person, in-store. More than half (59%) take orders by phone, email, or text. More than one in three stores (35%) let customers pre-order to pick up in-store while 29% ship via UPS, FedEx, USPS or other common carrier. One in five stores (20%) support curbside pickup of pre-orders, and just under one in five (18%) take orders off their website "Contact Us" area.

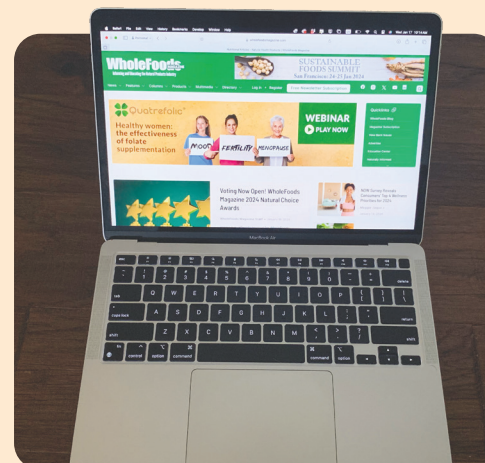
Among the less-popular options: Fewer than 10% of stores support online ordering and payment, or use an online ordering/delivery app. Five percent allow their employees or contractors to deliver orders direct to customers' homes. Just 3% have the courage to use a third-party warehouse to hold and ship inventory to customers. An additional 2% of respondents told us they do something else to help their customers obtain products, such as offer drive-thru pickup as an option (see Figure 14).

Expanded Coverage on WholeFoodsMagazine.com!

There is so much more to this survey. Head to our website for additional insights, including:

- ✓ Annual \$ Sales by Department
- ✓ \$ Year-Over-Year Change by Department
- ✓ Outreach and Education Efforts
- ✓ Advertising/Promotion Strategies
- ✓ Merchandising
- ✓ Future Expansion Plans
- ✓ Annual Labor Costs
- ✓ Future Sales Forecasts

...and turn the page for a wider view of the industry in the Retail Insights® 2025 Retail Universe for U.S. Premium Natural, Organic Food, Supplement & Personal Care Sales. PLUS: See page 8 for deeper insights in our Retailers Sound Off section.



2025

Retail Insights® 2025 Retail Universe for U.S. Premium Natural, Organic Foods, Supplements & Personal Care

Natural organic products add \$7 billion in 2024, beating conventional grocery channel % growth.

By Jay Jacobowitz

You could say 2024 was the year natural organic products took first place in the food retailing universe, outpacing conventional groceries by nearly two

percentage points: up 6.89% vs. 4.95%; and adding a record \$7.137 billion in natural sales to reach \$110.75 billion across the eight U.S. food retailing

channels we track annually at Retail Insights. Who's first and who's last? Let's find out.



2025 Retail Universe for U.S. Premium Natural, Organic Food, Supplement and Personal Care Sales

U.S. Store Type	No. of units	2024 Net Natural Sales	2024 % of Natural Volume	\$ Change in Sales from 2023	% Change in Sales from 2023	Number of Stores +/- vs. 2023	% Store Count Change vs. 2023
Club Stores (e.g., Costco, Sam's Club, BJ's)	1,466	\$9,486,879,927	8.57%	\$1,742,441,493	22.50%	25	1.73%
Compact Grocers (e.g., Aldi, Natural Grocers by VC, Trader Joe's)	3,173	\$23,628,813,158	21.34%	\$2,332,856,081	10.95%	54	1.73%
Independent Retailers and Coops	5,598	\$12,628,154,755	11.40%	\$705,769,755	5.92%	-34	-0.60%
Mass Merchandisers (e.g., Walmart, Target)	6,584	\$6,882,738,710	6.21%	\$250,246,368	3.77%	-89	-1.33%
Pharmacy Chains and Independent Pharmacies	54,483	\$3,144,410,120	2.84%	-\$355,293,769	-10.15%	-2,349	-4.13%
Conventional Supermarkets (e.g., Kroger, Wegmans, Safeway)	27,530	\$20,759,981,576	18.74%	\$737,700,985	3.68%	-24	-0.08%
Supernaturals (e.g., Whole Foods, Sprouts, Fresh Thyme)	1,242	\$32,463,467,978	29.31%	\$1,925,050,845	6.30%	46	3.85%
Vitamin Chains (e.g., GNC, Vitamin Shoppe)	3,017	\$1,756,408,241	1.59%	-\$200,984,130	-10.27%	-72	-2.33%
Total	103,093	\$110,750,854,464	100%	\$7,137,787,628	6.89%	-2,443	-2.28%
Natural & Organic vs. All Channels	Natural % of Total Food Store Sales	Total Food Store Sales	Average Annual Natural Sales per GLA SF	Total Natural GLA SF	Natural SF of Total Food Store GLA SF	Average Natural GLA SF per Retail Store	Average Annual Natural Sales per Retail Store
Totals & Averages	10.31%	\$1,073,837,977,431	\$808.31	137,015,363	5.14%	1,329	\$1,074,280

Supernaturals—No. 1

Supernaturals, including Whole Foods, Sprouts, Fresh Thyme, and others, remain unchallenged—so far—at the pinnacle of natural organic retailing, growing 6.3% and adding \$1.925 billion in sales to reach \$32.46 billion and a 29.31% natural market share (please see table on the previous page for the eight-channel detail.)

We count Whole Foods at 522 U.S. stores in 2024, up seven units from last year, and estimate 5.59% growth to \$22.01 billion, with 15% of sales coming from its Amazon Prime store orders. Sprouts was the most prolific store-builder in the segment in 2024, adding 29 units to total 431, and \$7.855 billion in sales. We believe Fresh Thyme and New Seasons both exceeded \$750 million in sales on estimated 4% to 5% growth. Southeast retailer, Earthfare, closed a couple of stores, down to 16 units. Altogether, the supernatural channel added 46 stores to total 1,242, for 3.85% unit growth.



Compact Grocers—No. 2

In 2012, we coined the term ‘compact grocer’ to mean food stores of 20,000 square feet or less, a segment we believed would grow rapidly due to the relative ease of finding suitable real estate. Fitting into this category are fast-growing Aldi, with 2,362 stores; and Trader Joe’s, which added 44 stores this year to reach 608 units. Natural Grocers by Vitamin Cottage, with 169 units, also fits the model, with stores typically in

the 15,000-square-foot range. Overall, compact grocers added the most new units of all eight retail channels, adding 54 stores to total 3,173 in 2024.

Along with their aggressive unit growth, compact grocers also added the most natural sales—besting the supernaturals—up 10.95% and \$2.33 billion to total \$23.6 billion, and gaining a 2nd-place, 21.34% market share.

Leading the segment was Trader Joe’s, with an estimated \$18.1 billion in sales, up 11.2% and \$1.82 billion. Aldi followed, adding \$393.6 million in natural organic sales, also up 11%, bringing its natural total to an estimated \$3.96 billion. Natural Grocers by Vitamin Cottage grew a robust 6.8%, adding \$79.8 million to reach \$1.24 billion in sales.

Conventional Supermarkets—No. 3

Despite the upheaval from the failed Kroger-Albertsons merger, the conventional grocery channel participated in natural industry growth, gaining 3.68% and adding \$737.7 million in natural organic sales to reach \$20.75 billion and an 18.74% natural market share.

We are carrying 27,530 conventional supermarkets this year, down 24 units from last year. Stores in other channels; compact grocers, club stores, mass merchants, supernaturals, and some coops and independent natural retailers, help make up the 45,000-plus stores of the U.S. food retailing universe we track each year.

Coops and Independent Natural Retailers—No. 4

In *WholeFoods Magazine’s* (no relation to the retail stores) Annual Retailer Survey, which you can read on page 20 of this issue, editors ask independent natural products retailers to report their results through June 30 each year. While survey respondents told us they had a good year, with average sales up in the low to mid-single digits, interviews the magazine



conducted later, in December of 2024, revealed a near-universal strengthening in sales during the second half of the year. Independents consistently told us of low to mid-double-digit year-over-year sales growth, as consumers increased their purchases and shopping frequency.

Asked why retailers thought their sales were increasing so robustly, most responded they had done nothing different or exceptional, only that they had stayed the course, stayed in-stock, and maintained high levels of personalized service. Some suggested the enduring effects of the pandemic, firming the resolve of people to take better care of themselves and their families, and putting those intentions into practice.

The results are evident in our coops and independent’s 5.92% sales increase, up \$705.8 million, to reach \$12.62 billion and an 11.4% natural market share. This, despite losing 34 stores this year, which is a 0.6% decrease in the number of units, a slower pace of store closures than in recent years. This may reflect the brightening outlook for independents as natural remedies continue to gain traction in society and the culture.

Club Stores—No. 5

Club stores such as Costco, BJ’s Warehouse, and Sam’s Club were not idle in 2024, adding 25 units, most of which



were the 17 club stores Costco opened, followed by nine openings for BJ’s. Sam’s Club closed one store. The sector added \$1.74 billion in natural organic product sales, to reach \$9.48 billion, a 22.5% increase, by far the largest percentage of any of the eight retail channels we track, and good for an 8.57% natural market share, up over a percentage point from last year’s 7.47% market share.

Costco was responsible for the lion’s share of growth, adding \$1.45 billion in natural sales, to reach our estimate of \$8.02 billion. If you’ve visited Costco recently, you’ll realize the stunning number of fresh perishables SKUs, from meat and poultry to organic produce, and refrigerated and frozen packaged foods. We estimate Costco allocates the equivalent of 10,000 square feet to its natural organic assortment, about 7% of its average 144,000-square-foot warehouses.

Mass Merchandisers—No. 6

Mass merchants Walmart and Target added \$250.2 million in natural sales, a 3.77% increase, securing the sector a 6.21% natural market share. The bulk of the increase, \$195.4 million, came from Walmart Supercenters, which offer the largest assortment of groceries of any of its formats, including natural and organic products.

Over half, 59.8%, of Walmart’s U.S. sales come from groceries, a far larger percentage than the estimated 19.6% Target generates from its food selection. This is why we believe that growth for natural products in the mass merchant sector will continue to come from Walmart’s Supercenters, and not from

its smaller Neighborhood or discount formats, nor from Target’s expanded food assortments in its SuperTarget format.

Pharmacy Chains and Independent Pharmacies—No. 7

Stability is not a word we would use to describe the pharmacy sector in 2024. Walgreens, one of the two largest chains, closed an estimated 1,200 of its stores, ending the year with 8,476 units. Rite Aid, a far smaller chain, shuttered 646 units, a third of its count, to end the year with 1,259 stores. CVS, the other large chain, ended the year with 9,144 stores after closing 270 units. Altogether, the sector had 2,349 closings, a 4.13% decrease in units.

It follows that sales also decreased, and we estimate the channel shed \$355.2 million in natural sales, a 10.15% decline, to \$3.144 billion, and a 2.84% natural market share, about a half-point lower than last year’s 3.38% share.



Vitamin Chains—No. 8

For those of you who follow our annual Retail Universe, it is no surprise to see vitamin chains bringing up the rear in both natural sales and market share. The segment ended the year with 3,017 stores, a decrease of 72 units, made up of 69 GNC corporate and franchise closings and three Vitamin Shoppe stores.

We estimate the channel lost \$200.9 million in sales, bringing its total to \$1.75 billion, and a dismal 1.59% natural market



share. We believe both chains benefited from growth in their online orders, which we estimate at 20% of sales.

Natural vs. Conventional Food Sales

As you can see from the nearby table, natural organic sales in 2024 reached a record \$110.75 billion, which is 10.31% of the total \$1.073 trillion we are carrying for the U.S. food retailing industry through all eight channels.

The natural organic sector broke several other records this year, including the 10.31% natural market share, and the \$7.13 billion increase in natural organic product sales. Average annual natural sales per gross-lease-area square foot reached \$808.31. Keep in mind, this is across the entire 137,015,363 total natural square feet we estimate exists in U.S. food stores, also a record number of natural products generate an astonishing \$1.074 million in natural sales each year

For those of you who love numbers, natural square footage of total U.S. food retail stores is 5.14% of the 2.667 billion square feet we maintain in our database. This continues to make an investment in natural organic products one of the best a retailer can make: nearly twice as productive as the average food-store square footage. **WF**

