

Fresh Mushroom Sales Review; YTD and 4 w.e. 6.12.2022

## **Dollars, Units and Volume Performance**

Inflation dominated the media headlines in the past four weeks with the price per unit across all food and beverages up 12.5% versus the same four weeks in 2021 and 23.6% versus 2019. Shoppers are hyper aware of the increases in cost and 76% are making changes to their grocery shopping. Dollar sales trended in the positive for most departments, boosted by high inflation. However, volume sales for departments around the store took a significant dip from their already down levels in the prior quad weeks. Fresh produce was no exception.

During the four weeks ending June 12, 2022 versus the same period in 2021, the produce department sales reached $6.2 billion during the four-week period, which was up 2.7%. As such, fresh produce dollar gains are decelerating; units were down 6.0%; and volume sales (pounds) were down 4.7% year-on-year. Additionally, pounds dropped below 2019 levels by 0.2%.

For the four weeks ending June 12, 2022, fresh mushroom dollars decreased 4.1% year-over year and volume declined by 11.5%. Much like total produce, fresh mushroom pound sales have been decelerating. Year-to-date, volume sales are even with 2019, but for the quad-week period ending June 12th, pounds were down 3.3%.

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| Fresh mushrooms | 4 weeks ending 6/12/2022 | Vs. 2021 | Vs. 2020 | Building CY thru 6/12/2022 | Vs. 2021 | Vs. 2020 |
| Dollars | $93.6 million | -4.1% | -15.9% | $642.1 million | -5.2% | -6.9% |
| Units | 32.1 million | -10.7% | -22.5% | 214.8 million | -9.6% | -13.9% |
| Volume (pounds) | 20.1 million | -11.5% | -23.1% | 134.6 million | -10.5% | -13.1% |

Source: IRI, Integrated Fresh, MULO, 4 weeks ending 6/12/2022

Dollar sales during each of the individual weeks averaged $23M to $24 million. In comparison to last year, dollars moved a little closer to the 2021 levels each week. In pounds, the individual weeks hovered around 5 million pounds each week, though dipped slightly below the 5 million pound mark in the week ending June 12th. In comparison to 2019, two weeks trended ahead and two fell behind, for the average decline of 3.3% year-on-year for the quad-week period.

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| Fresh mushrooms | Dollar sales | Dollar gains vs. 2021 | Dollar gains vs. 2019 | Volume sales | Volume gains vs. 2021 | Volume gains vs. 2019 |
| 4 W.E. 06-12-22 | **$93,627,103** | **-4.1%** | **8.6%** | **20,149,283** | **-11.5%** | **-3.3%** |
| W.E. 05-22-22 | $23,164,580 | -5.3% | 4.5% | 5,052,474 | -11.1% | -5.4% |
| W.E. 05-29-22 | $23,898,100 | -4.8% | 13.5% | 5,132,458 | -13.0% | 1.3% |
| W.E. 06-05-22 | $23,484,980 | -3.8% | 10.9% | 5,038,837 | -10.6% | -2.2% |
| W.E. 06-12-22 | $23,079,443 | -2.5% | 5.9% | 4,925,514 | -11.2% | -6.4% |

Source: IRI, Integrated Fresh, MULO, 4 weeks ending 6/12/2022

## **Inflation**

The total produce performance was heavily impacted by inflation in the quad week and year-to-date views. Total produce prices increased to $2.64, up 9.2% during the four weeks ending June 12th on a per unit basis. Vegetables increased to an average of $2.22 per unit, up 10.2% versus year ago in the four-week period. The increases in the price per unit for mushrooms during this same time period remained below the total vegetable average, at +7.4%. At the same time, at $2.91, the average ring for mushrooms is higher than that of many other vegetable categories.

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| Fresh mushrooms | 4 w.e. 6/12/2022 | Vs. 2021 | Vs. 2020 | Building CY thru 6/12/2022 | Vs. 2021 | Vs. 2020 |
| Price/unit | $2.91 | +7.4% | +8.5% | $2.83 | +4.9% | +8.1% |
| Price/volume | $4.65 | +8.3% | +9.3% | $4.52 | +5.9% | +7.2% |

Fresh mushroom dollar and pounds were promoted less often. Less than 15% of dollars were promoted, down 11.4% from year ago when merchandising levels were down as well. In comparison, 31.8% of fresh produce dollars were generated by items on promotion, with a slight increase versus year ago.

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| Fresh mushrooms | 4 w.e. 6/12/2022 | Vs. 2021 | Building CY thru 6/12/2022 | Vs. 2021 |
| Share of dollars sold on promotion | 14.6% | -11.4% | 14.8% | -5.5% |
| Share of pounds sold on promotion | 17.5% | -3.7% | 17.4% | -3.7% |

Source: IRI, Integrated Fresh, MULO, 4 weeks ending 6/12/2022

## **Performance by segment**

Up from 51.8% in the prior quad-week period, white mushrooms represented 53.4% of total fresh mushroom dollars. Year-on-year, white mushrooms were down the least, at -3.0% and specialty was down the most, at -14.9%. White mushrooms’ volume share was higher, at 60.8%, also up from the prior period when it was 58.7% of pounds. It was brown mushrooms, the combination of criminis and portabellas, that fared better in volume. In fact, both specialty and brown mushrooms still sold more pounds than during the same weeks in 2019, at +4.7% and +2.7%, respectively.

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| **4 weeks ending 6/12/2022** | **Dollars** | **Dollar share** | **$ sales vs. 2021** | **$ sales vs. 2019** | **Volume (lbs)** | **Lbs****share** | **Lbs vs. 2021** | **Lbs vs. 2020** |
| **Total fresh mushrooms** | $93.6M | 100.0%  | -4.1% | 8.6% | 20.1M | 100.0%  | -11.5% | -3.3% |
| White mushrooms | $50M | 53.4% | -3.0% | 2.7% | 12.2M | 60.8% | -10.0% | -7.7% |
| Brown mushrooms | $38.7M | 41.3% | -3.9% | 15.6% | 7.5M | 37.4% | -13.1% | 4.7% |
| Specialty mushrooms | $4.9M | 5.2% | -14.9% | 21.8% | 0.3M | 1.8% | -24.2% | 2.7% |

Source: IRI, Integrated Fresh, MULO, 4 weeks ending 6/12/2022

## **Additional observations:**

* Fixed versus random weight performance: Fixed weight represented 94.9% of dollars and 95.7% of volume in the quad-week period. Fixed weight also had the better dollar, unit and volume performance. While fixed weight was down 5.6% in the four-week period, random weight (loose/bulk) was down 15.4%.
* Organic versus conventional: Organic dollar sales made up 12.7% of total fresh mushroom sales in the four weeks. Organic mushrooms dollars increased year-on-year (+1.7%), but units and pounds were down.
* Cut/prepared versus whole mushrooms: Cut or prepared mushrooms made up 53.3% of dollar sales in the four-week period. Mushrooms without preparation had the better performance, down -4.0% year-on-year versus -7.9% for cut/value-added mushrooms.

Source: IRI, Integrated Fresh, MULO, 4 weeks ending 6/12/2022