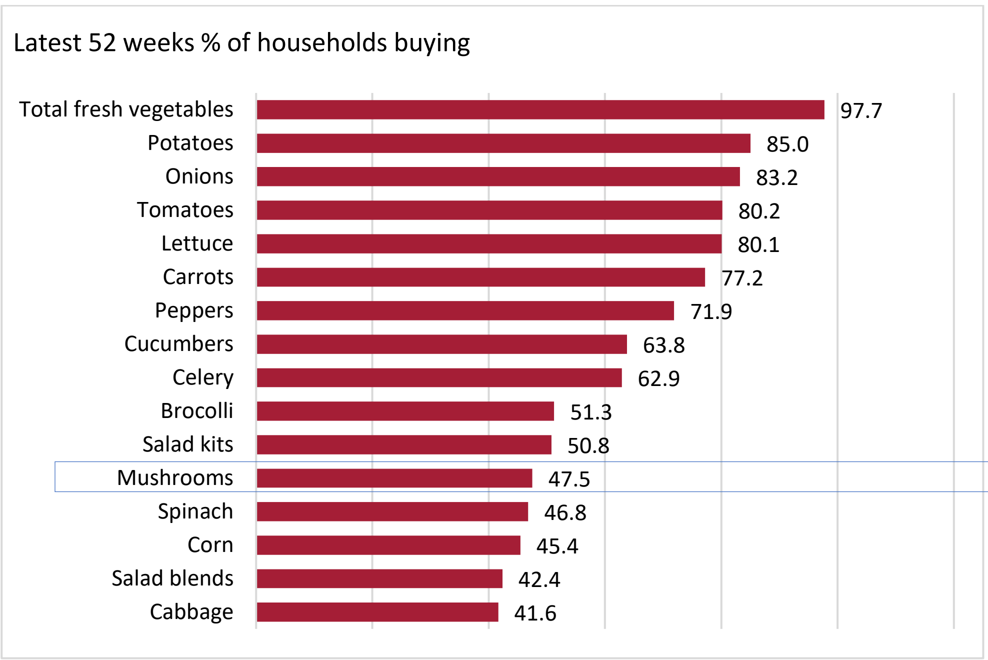
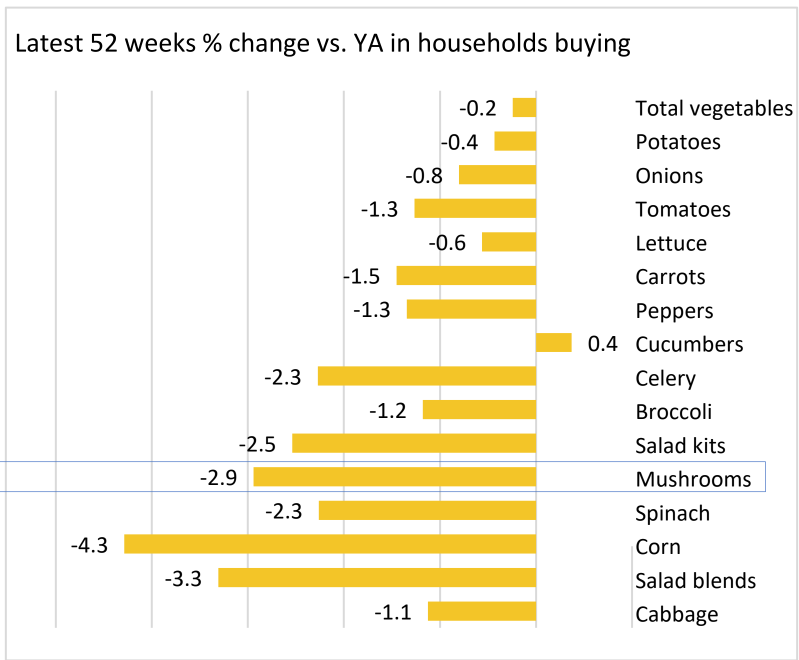
## Q2 2022 - Q1 2023 Mushroom Engagement at Retail

Every department, category or item ultimately has three ways in which it can grow: an increase in the number of people who purchase the item, an increase in the number of times it is purchased, and an increase in the trip spend by buying a larger size or more premium item. In the first quarter of 2023, prices for food and beverages bought at retail continued to increase and unit and volume pressure persisted across categories. Mushrooms have experienced above-average pressure and a look at shopper engagement provides some of the answers.

**Household penetration**

The tremendous pressure on income prompted many consumers to simply buy less. Out of the top 15 sellers in fresh vegetables, only cucumbers managed a slight increase of 0.4% in household penetration. All others, including staples such as potatoes, onions, tomatoes and lettuce experienced a reduction in the number of households that bought the item at least once. The 2.9% decline in household penetration for mushrooms was among the highest, but the decrease is unchanged when compared to the 52 weeks ending 1/1/2023.

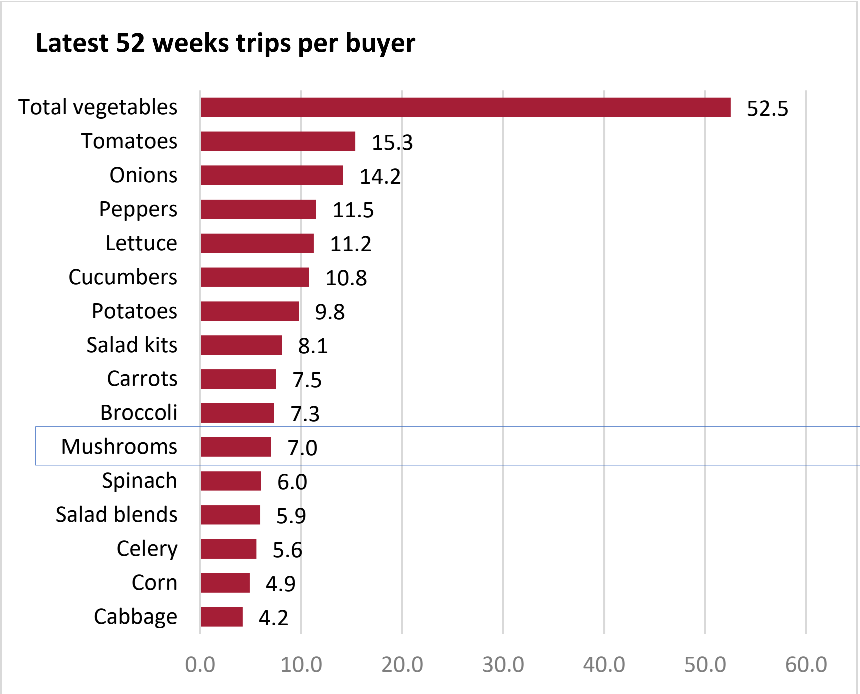


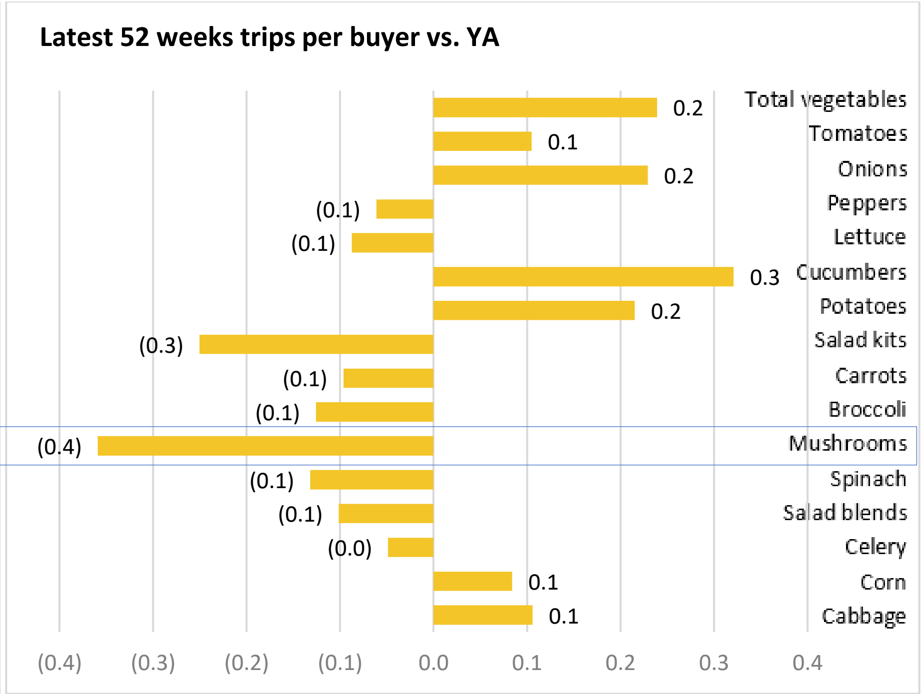




Source: Circana (formerly IRI), Integrated Fresh Household Panel, all outlets, 52 weeks ending 4/2/2023 (Q1 2023 and Q2-4 2022)

### Annual trips per Buyer

Total vegetable trips changed slightly, with upticks for cucumbers, potatoes and onions, in particular. That meant slightly more than 52 shopping trips per week, averaging about one fresh produce purchase per week. Mushrooms averaged 7.0 shopping trips over the past 52 weeks, which was down 0.4 trips — the most of all categories, followed by salad kits.

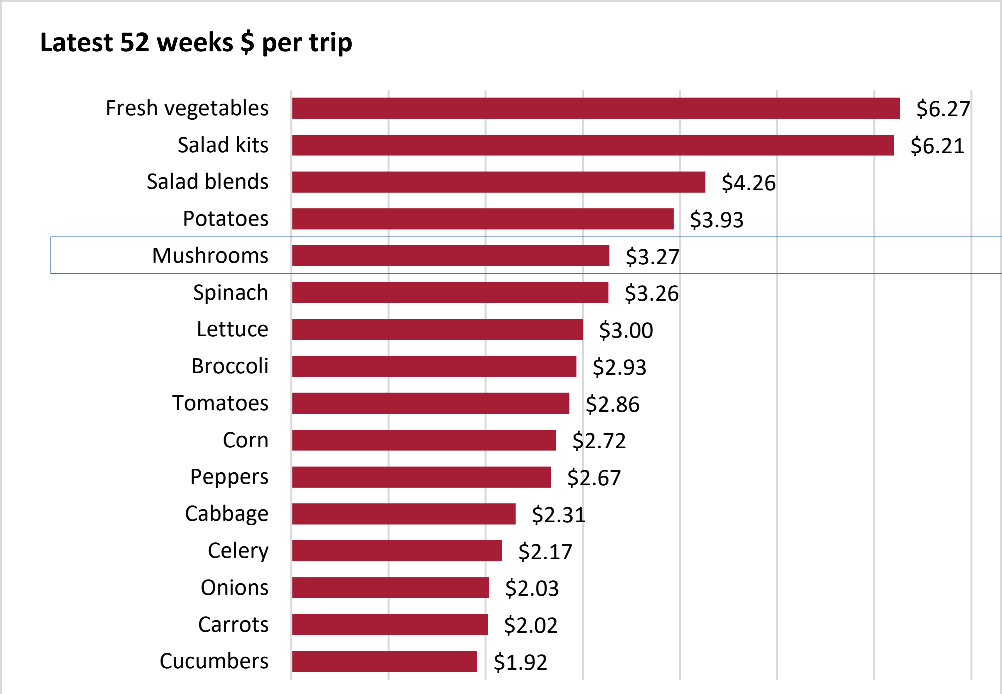


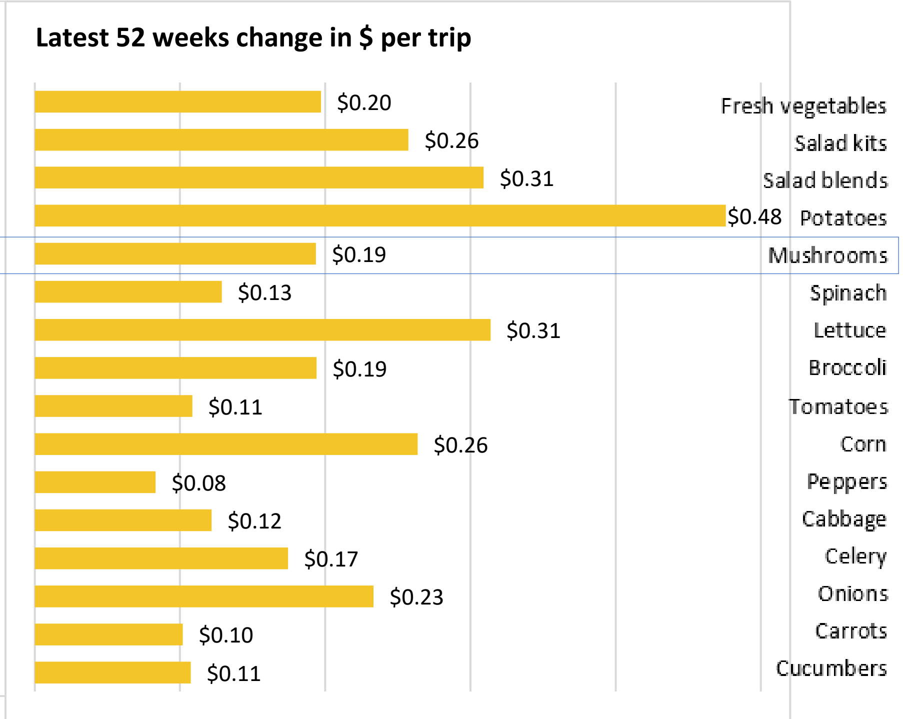




Source: Circana (formerly IRI), Integrated Fresh Household Panel, all outlets, 52 weeks ending 4/2/2023

**Dollars per Trip**

All top 15 categories saw an increase in the spend per trip in in the latest 52 weeks, led by potatoes, lettuce, corn and onions. This was mostly related to inflation, though cucumbers and onions are two examples of categories that grew unit/pound volume as well. Among those who purchased mushrooms in the past year, spending increased by 19 cents per trip. However, the average price per unit increased 23.3 cents. That means that households who continued to purchase mushrooms increased their per trip purchase at a rate slightly below the level of unit inflation.

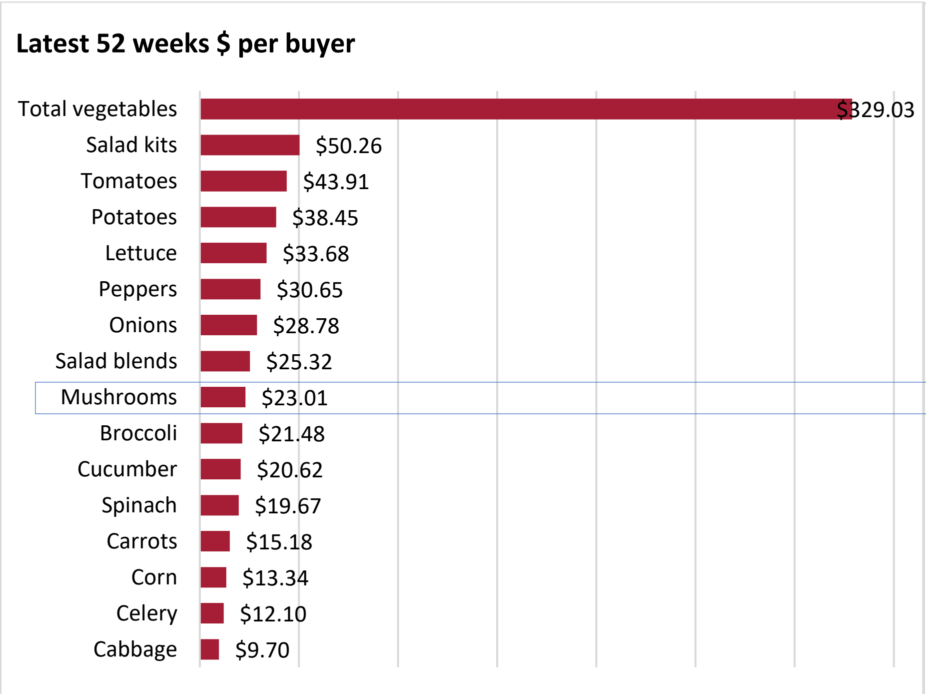


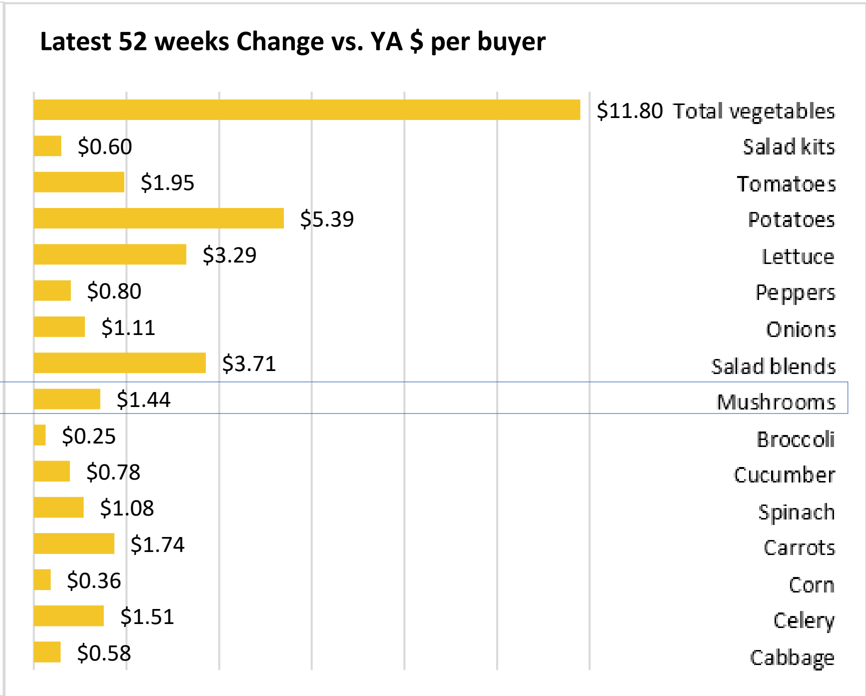




Source: Circana (formerly IRI), Integrated Fresh Household Panel, all outlets, 52 weeks ending 4/2/2023

### Annual spend per buyer

While spending was boosted by inflation, the reductions in trips and unit size ultimately prompted little change in the 2022 spending levels versus the annual spending in 2021. The increase in annual spending was highest for potatoes, with an additional $5.39, followed by salad blends, at +$3.71. Based on a per unit increase of 23.3 cents and an average of seven trips, the average increase in spending per buyer for inflation alone should have been around $1.63. Instead, per buyer spending for fresh mushroom on an annual basis increased $1.44.




Source: Circana (formerly IRI), Integrated Fresh Household Panel, all outlets, 52 weeks ending 4/2/2023

**Comparison of latest 52 weeks (Q2 2022-Q1 2023) versus Q1 2023**

Mushrooms dropped out of the top 10 vegetables in household penetration in the past year as the share of households having purchased fresh mushrooms fell below 48%.

| Product | Latest 52 weeks ending 4/2/2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | % HH Buying | % HH Buying Change vs YA | Dollars per Buyer | Dollars per Buyer Change vs YA | Dollars per Trip | Dollars per Trip Change vs YA | Product Trips per Buyer | Product Trips per Buyer Change vs YA |
| **Total vegetables** | **97.7** | **-0.2** | **$329.03** | **$11.80** | **$6.27** | **$0.20** | **52.5** | **0.2** |
| Potatoes | 85.0 | -0.4 | $38.45 | $5.39 | $3.93 | $0.48 | 9.8 | 0.2 |
| Onions | 83.2 | -0.8 | $28.78 | $3.71 | $2.03 | $0.23 | 14.2 | 0.2 |
| Tomatoes | 80.2 | -1.3 | $43.91 | $1.95 | $2.86 | $0.11 | 15.3 | 0.1 |
| Lettuce | 80.1 | -0.6 | $33.68 | $3.29 | $3.00 | $0.31 | 11.2 | (0.1) |
| Carrots | 77.2 | -1.5 | $15.18 | $0.58 | $2.02 | $0.10 | 7.5 | (0.1) |
| Peppers | 71.9 | -1.3 | $30.65 | $0.80 | $2.67 | $0.08 | 11.5 | (0.1) |
| Cucumbers | 63.8 | 0.4 | $20.62 | $1.74 | $1.92 | $0.11 | 10.8 | 0.3 |
| Celery | 62.9 | -2.3 | $12.10 | $0.87 | $2.17 | $0.17 | 5.6 | (0.0) |
| Broccoli | 51.3 | -1.2 | $21.48 | $1.08 | $2.93 | $0.19 | 7.3 | (0.1) |
| Salad kits | 50.8 | -2.5 | $50.26 | $0.60 | $6.21 | $0.26 | 8.1 | (0.3) |
| Mushrooms | 47.5 | -2.9 | $23.01 | $0.25 | $3.27 | $0.19 | 7.0 | (0.4) |
| Spinach | 46.8 | -2.3 | $19.67 | $0.36 | $3.26 | $0.13 | 6.0 | (0.1) |
| Corn | 45.4 | -4.3 | $13.34 | $1.50 | $2.72 | $0.26 | 4.9 | 0.1 |
| Salad blends | 42.4 | -3.3 | $25.32 | $1.44 | $4.26 | $0.31 | 5.9 | (0.1) |
| Cabbage | 41.6 | -1.1 | $9.70 | $0.74 | $2.31 | $0.12 | 4.2 | 0.1 |

In the first quarter of 2023, fewer than 30% of households had purchased fresh mushrooms. This is also down 2.9% from the first quarter of 2022. The slowdown in product trips was less than over the full year, at -0.1 trip versus -0.4.

| Product | Latest 13 weeks ending 4/2/2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | % HH Buying | % HH Buying Change vs YA | Dollars per Buyer | Dollars per Buyer Change vs YA | Dollars per Trip | Dollars per Trip Change vs YA | Product Trips per Buyer | Product Trips per Buyer Change vs YA |
| **Total vegetables** | **93.1** | **-0.9** | **$86.73** | **$2.37** | **$6.37** | **$0.06** | **13.6** | **0.2** |
| Potatoes | 65.9 | -1.3 | $12.77 | $1.73 | $4.03 | $0.48 | 3.2 | 0.1 |
| Onions | 66.9 | -1.6 | $8.60 | $0.46 | $1.99 | $0.08 | 4.3 | 0.1 |
| Tomatoes | 63.6 | -0.9 | $14.05 | $0.70 | $2.86 | $0.10 | 4.9 | 0.1 |
| Lettuce | 59.9 | -1.3 | $11.02 | $0.70 | $3.01 | $0.16 | 3.7 | 0.0 |
| Carrots | 55.3 | -1.5 | $5.75 | $0.31 | $2.12 | $0.13 | 2.7 | (0.0) |
| Peppers | 53.5 | -0.9 | $10.44 | $0.24 | $2.65 | $0.02 | 3.9 | 0.1 |
| Cucumbers | 44.5 | 0.5 | $7.87 | $0.67 | $1.96 | $0.09 | 4.0 | 0.2 |
| Celery | 38.7 | -2.0 | $5.13 | $0.55 | $2.31 | $0.22 | 2.2 | 0.0 |
| Broccoli | 32.8 | -0.9 | $8.96 | $0.51 | $3.02 | $0.20 | 3.0 | (0.0) |
| Salad kits | 30.2 | -1.4 | $21.37 | ($0.01) | $6.24 | $0.11 | 3.4 | (0.1) |
| Mushrooms | 29.8 | -2.9 | $9.23 | $0.16 | $3.33 | $0.16 | 2.8 | (0.1) |
| Spinach | 28.1 | -1.3 | $8.39 | ($0.10) | $3.26 | $0.05 | 2.6 | (0.1) |
| Corn | 14.0 | 1.9 | $6.85 | ($0.61) | $3.27 | ($0.15) | 2.1 | (0.1) |
| Salad blends | 22.3 | -2.6 | $11.71 | $0.45 | $4.23 | $0.13 | 2.8 | 0.0 |
| Cabbage | 27.5 | -1.1 | $4.20 | $0.28 | $2.24 | $0.09 | 1.9 | 0.1 |

**Conclusion**

Fewer people bought mushrooms and those who did buy them bought them slightly less often and did not quite keep up with the level of inflation. Compared to the decline in household penetration, however, the drops in trips and spend per trip are fairly minor. Now below 48% of the U.S. population, Americans who are continuing to buy mushrooms are unable to offset the loss in revenue from those who have dropped out.