

Fresh Mushroom Sales Review; 4 and 52 w.e. 5.19.2024

# **April-May in Review**

* Food-away-from-home inflation has outpaced at-home price increases in the past few months. According to Circana’s Darren Seifer, restaurant traffic for the first quarter of 2024 fell 2%. A total of 64% of Americans consume mushrooms at least once a year, whereas household penetration at retail is 48.5% — meaning at least some consumers only eat mushrooms when purchasing food from restaurants.
* Among households with greater financial pressure, home-cooked meals are seen as a solution to help balance spending. An April 210 Analytics consumer study found that these households are more focused on price and sales promotions when shopping for groceries and tend to de-emphasize nutrition and time-saving solutions. They are more likely to purchase private-brand items, focus on reducing food waste and show a much greater willingness to change what they are purchasing, while keeping a close eye on sales promotions across multiple stores. Households with improved finances are more likely to buy from restaurants more often.
* The next quad week will include the sales performance for the unofficial start of grilling season, Memorial Day. According to the recently released Fresh Mushroom Consumption and Attitudes Study, the second and third quarters have the lowest shares of total mushroom eatings, at 25% and 23%, respectively.

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

The quad-week generated a little more than $100 million in sales, which was down 3.1% from year-ago levels. The four-week unit and pound declines were slightly higher than the 52-week numbers.

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| Fresh mushrooms | 4 weeks ending 5/19/2024 | Vs.  YA | Vs.  3YA | Latest 52 w.e. 5/19/2024 | Vs.  YA | Vs.  3YA |
| Dollars | $100.3 million | -3.1% | -4.5% | $1.338 billion | -3.1% | -4.0% |
| Units | 33.7 million | -3.0% | -6.8% | 476.44 million | -2.6% | -9.0% |
| Volume (pounds) | 21.9 million | -3.5% | -6.4% | 359.47 million | -2.9% | -9.6% |

Source: Circana, Integrated Fresh, MULO, YTD and 4 weeks ending 5/19/2024

When comparing the quad week’s performance to the prior quad week, volume patterns remained consistent with prior years. Volume sales during quad week five tend to be lower than quad weeks two to four, but the volume impact was slightly higher than seen in the past few years. This is likely related to shifts in Easter timing that affects quad-week periods four and five. (see forecasting tab).

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| **Pound growth rates versus PRIOR PERIOD** | **Quad week 1** | **Quad week 2** | **Quad week 3** | **Quad week 4** | **Quad week 5** | **Quad week 6** | **Quad week 7** | **Quad week 8** | **Quad week 9** | **Quad week 10** | **Quad week 11** | **Quad week 12** | **Quad week 13** |
| 2017 |  | -1.5% | -2.6% | -1.8% | -3.2% | -3.5% | -1.6% | -0.5% | 1.0% | 1.5% | 1.4% | 7.9% | 7.3% |
| 2018 | -1.0% | -3.3% | -0.9% | -3.2% | -1.9% | -3.8% | -3.4% | -2.0% | 2.9% | 1.7% | 0.4% | 9.4% | 4.1% |
| **2019** | 6.6% | -4.4% | -2.9% | -1.1% | -2.9% | -3.1% | -3.9% | -2.4% | 3.4% | 0.9% | 0.4% | 8.1% | 4.6% |
| 2020 | 4.0% | -2.5% | 12.1% | 4.2% | 1.8% | -8.3% | -4.1% | -2.8% | -0.5% | 0.3% | 2.5% | 4.2% | 4.2% |
| 2021 | 5.4% | -5.9% | -4.8% | -0.6% | -4.3% | -3.3% | -5.7% | -1.0% | 2.1% | -0.7% | 1.8% | 4.8% | 2.8% |
| 2022 | 3.4% | -4.9% | -2.4% | -3.0% | -2.9% | -4.4% | -3.4% | -1.1% | 0.9% | 0.5% | 4.0% | 6.6% | 1.6% |
| 2023 | 2.7% | -3.9% | -2.0% | -0.9% | -2.2% | -3.9% | -3.8% | -1.8% | 0.6% | 1.9% | 2.3% | 8.0% | 0.2% |
| 2024 | 1.9% | -3.7% | -1.6% | -0.7% | -3.6% |  |  |  |  |  |  |  |  |

Source: Circana, Integrated Fresh, MULO, quad weeks 2017-2024

## **Inflation**

Mushroom prices increased slightly over the past four weeks, both on a per unit and per pound basis. During the full year, prices were mostly flat.

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| Fresh mushrooms | 4 w.e. 5/19/2024 | | Vs.  YA | Vs.  2YA | Latest 52 w.e. 5/19/2024 | Vs.  YA | Vs.  2YA |
| Price/unit | | $2.81 | +1.8% | +3.0% | $2.81 | -0.4% | +5.3% |
| Price/volume | | $4.58 | +2.0% | +2.7% | $4.59 | +0.0% | +5.9% |

The market did reflect more promotional activity. During the latest quad-week period 21.6% of total fresh mushroom dollars sold while on promotion. This was up 5.9% from last year.

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| Fresh mushrooms | 4 w.e. 5/19/2024 | | Vs. YA | Latest 52 w.e. 5/19/2024 | Vs. YA |
| Share of dollars sold on promotion | | 21.6% | +5.9% | 19.6% | +15.8% |

Source: Circana, Integrated Fresh, MULO, YTD and 4 weeks ending 5/19/2024

## **Performance by segment**

White mushrooms represented 51.9% of mushroom dollars and 58.1% of pounds in the four-week period — back in line with the typical share post Easter holiday period. Crimini mushrooms are the next largest seller and had a better year-on-year volume performance in comparison to white mushrooms. Crimini mushrooms volume sales are virtually unchanged compared to year-ago. Specialty mushrooms performed well in 2023, but have seen negative sales in the past few months.

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| **4 weeks ending 5/19/2024** | **Dollars** | **Dollar share** | **$ sales vs. YA** | **$ sales vs. 2YA** | **Volume (lbs)** | **Lbs**  **share** | **Lbs  vs. YA** | **Lbs vs. 2YA** |
| **Total fresh mushrooms** | **$100.3M** | **100.0%** | **-3.1%** | **-7.5%** | **21.9M** | **100.0%** | **-4.9%** | **-15.6%** |
| White mushrooms | $52.1M | 51.9% | -4.1% | -9.6% | 12.7M | 58.1% | -8.1% | -18.7% |
| Crimini mushrooms | $33.8M | 33.7% | -1.4% | +5.6% | 7.0M | 32.1% | -0.2% | -4.0% |
| Specialty mushrooms | $5.2M | 5.2% | -2.2% | -13.0% | 0.4M | 1.7% | -2.8% | -21.0% |

Source: Circana, Integrated Fresh, MULO, 4 weeks ending 5/19/2024

## **Additional observations:**

* Package size: 8-ounce packages generated $735 million in the past year, a slight decrease of 2.3% versus year-ago levels. 16-ounce packages are the next largest seller, at $227 million over the latest 52 weeks, down 8.3%. 24-ounce packages outperformed and grew dollars, units and pounds, though 52-week sales are much lower, at $79 million.
* Organic vs. conventional: Organic mushrooms made up 10.0% of pounds. Dollar and volume sales were up for organic mushrooms, with a 12.0% year-on-year increase for organic mushroom pounds. Organic mushroom sales have been outperforming conventional for a while now.
* Whole vs. sliced/diced: Whole mushrooms had shown an above-average performance but sliced and whole were very similar in the current quad week.

Source: Circana, Integrated Fresh, MULO, 4 or 52 weeks ending 4/21/2024