

Fresh Mushroom Sales Review; 4 and 52 w.e. 6.16.2024

# **May-June in Review**

* Consumer sentiment, that took a big dip in April, declined further in May. The University of Michigan expectations index fell to 68.8 in May 2024, down from 76.0 the prior month. Consumers expressed concern over unemployment rates rising and income growth slowing, in addition to the cumulative impact of inflation.
* Food-away-from-home (restaurant) prices increased 4.0% year-over-year in May versus 1.0% for food-at-home, according to the Bureau of Labor Statistics. The first five months of the year show a slowdown in restaurant traffic. Where 80% of consumers ordered restaurant food at least once in May, only 70% of lower-income households did so versus 87% of upper-income households.
* Lower-income households are also more likely to implement money-saving measures when shopping for groceries, at 87% versus 73% of upper-income households. Lower-income households are far more likely to buy less/stick to the budget, switch to store brands and shop at value retailers. All income levels and ages are focused on sales promotions and coupons.
* Channel shifting also continues in favor of value-focused formats. Placer.ai found that ALDI, in particular, has gained in foot traffic over the past few years. The overall grocery segment grew visits by 7.9% year-over-year in May, while ALDI grew foot traffic by 26.3%. This is driven by new stores as well as an increase in visits to individual locations. ALDI also showed growth in loyalty, with 30.1% of shoppers visiting ALDI at least four times in a month, up from 28% last year, according to Placer.ai.

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

The quad-week generated a little less than $100 million in sales, which was down 3.2% 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 6/16/2024 | Vs.  YA | Vs.  3YA | Latest 52 w.e. 6/16/2024 | Vs.  YA | Vs.  3YA |
| Dollars | $98,239,169 | -3.2% | -6.6% | $1,335,794,560 | -3.0% | -9.3% |
| Units | 34,744,567 | -3.7% | -14.3% | 474,226,450 | -2.7% | -16.8% |
| Volume (pounds) | 21,163,732 | -4.4% | -15.6% | 290,576,546 | -3.2% | -17.5% |

Source: Circana, Integrated Fresh, MULO, YTD and 4 weeks ending 6/16/2024

When comparing the quad week’s performance to the prior quad week, volume patterns remained consistent with prior years. Volume sales during quad week six (the four weeks ending 6/16) tend to be lower than quad weeks two to five. The decline was slightly lower than seen in the past few years (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% | -3.4% |  |  |  |  |  |  |  |

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. 6/16/2024 | | Vs.  YA | Vs.  2YA | Latest 52 w.e. 6/16/2024 | Vs.  YA | Vs.  2YA |
| Price/unit | | $2.83 | +0.6% | +0.6% | $2.82 | -0.3% | +4.7% |
| Price/volume | | $4.64 | +1.3% | +1.1% | $4.60 | +0.2% | +5.4% |

After the many Easter promotions, this quad week had fewer promotions. 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. 6/16/2024 | | Vs. YA | Latest 52 w.e. 6/16/2024 | Vs. YA |
| Share of dollars sold on promotion | | 17.7% | -9.3% | 19.5% | +12.5% |

Source: Circana, Integrated Fresh, MULO, YTD and 4 weeks ending 6/16/2024

## **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 6/16/2024** | **Dollars** | **Dollar share** | **$ sales vs. YA** | **$ sales vs. 3YA** | **Volume (lbs)** | **Lbs**  **share** | **Lbs  vs. YA** | **Lbs vs. 3YA** |
| **Total fresh mushrooms** | $98.2M | 100% | -3.2% | -6.6% | 21.2M | 100.0% | -4.4% | -15.6% |
| White mushrooms | $51.0M | 51.9% | -3.4% | -8.5% | 12.4M | 58.6% | -5.5% | -17.8% |
| Crimini mushrooms | $32.8M | 33.3% | -2.1% | +6.5% | 6.7M | 31.5% | -2.5% | -4.8% |
| Specialty mushrooms | $4.8M | 4.9% | -4.4% | -11.2% | 0.4M | 1.7% | -4.4% | -19.5% |

Source: Circana, Integrated Fresh, MULO, 4 weeks ending 6/16/2024

## **Additional observations:**

* Package size: 8-ounce packages generated $733 million in the past year, a slight decrease of 2.2% versus year-ago levels. 16-ounce packages are the next largest seller, at $226 million over the latest 52 weeks, down 8.6%. 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 a little more than 10.0% of pounds. Dollar and volume sales were up for organic mushrooms, with a 12.9% 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 outperformed mushrooms that are sliced, diced or cut with better-than-average dollar, unit and volume performances.

Source: Circana, Integrated Fresh, MULO, 4 or 52 weeks ending 6/16/2024