

Fresh Mushroom Sales Review; 4 and 52 w.e. 7.14.2024

# **June-July in Review**

* Consumer sentiment, a proxy for their ability and willingness to spend, declined a little more in June — making it the third consecutive month of decline. In addition to the cumulative impact of years of inflation, consumers point to rising unemployment and slowing of income growth as reasons for their concern.
* This has led to a continued home-centric environment, though one dealing with a host of money-saving measures. Unit and volume growth is finally turning the corner for total produce and meat, but remains negative for departments such as bakery, seafood and center-store. While total produce is growing in dollars, units and pounds, mushroom sales continue to lag year-ago levels.
* Consumers continue to shop far more often than they did in the past few years, capitalizing on sales promotions and distributing their dollars across more stores. Lower-income households are the most affected, with more reducing the number of times they are buying restaurant food, while deploying more money-saving measures at the store, especially buying less.

# **A Larger Marketplace Reflection**

As of this July 14th report, the Mushroom Council has upgraded its contract with Circana to have the largest market coverage available. Depending on the category, market coverage increased 10% to 15%. Our fresh mushroom universe expanded by 14.8% to annual sales of $1.53 billion through the inclusion of food, club, online and other retailers who were not previously included nor projected in the data. Several of these retailers were ones who gained business during the past few years, changing not only the size of the retail universe measured but also the trajectory. With the added data, mushroom trends more closely follow the overall food and beverage trends with sales levels that remain above the 2019 pre-pandemic baseline. Other trends, such as organic, value-added, seasonal growth and contraction and pack sizes continued to hold up. All historic data points in the spreadsheet and PowerPoint have been upgraded to MULO+.

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

The quad-week generated a little less than $108 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 performance.

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| Fresh mushrooms | 4 weeks ending 7/14/2024 | Vs. YA | Vs. 3YA | Latest 52 w.e. 7/14/2024 | Vs. YA | Vs. 3YA |
| Dollars | $107,975,685 | -3.2% | -3.2% | $1,526,456,602 | -2.5% | -6.2% |
| Units | 35,672,429 | -4.2% | -11.7% | 505,722,444 | -2.6% | -15.2% |
| Volume (pounds) | 23,582,449 | -3.8% | -11.8% | 336,270,520 | -2.8% | -14.8% |

Source: Circana, Integrated Fresh, MULO+, YTD and 4 weeks ending 7/14/2024

## **Performance by Type**

In the new MULO+ universe, white mushrooms represented slightly less than half of the dollars, at 49.8% of total mushroom dollar sales, yet 56.1% of pounds due to a lower price per pound than other varieties. Crimini mushroom sales had a slightly better year-on-year volume performance in comparison to white mushrooms.

Specialty mushrooms reflect 6.6% of sales in the expanded MULO+ universe. Dollar sales increased year-on-year as did units and volume, though units and pounds were down compared to two and three years ago.

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| **4 weeks ending 7/14/2024** | **Dollars** | **Dollar share** | **$ sales vs. YA** | **$ sales vs. 3YA** | **Volume (lbs)** | **Lbs****share** | **Lbs vs. YA** | **Lbs vs. 3YA** |
| **Total fresh mushrooms** | $108.0M | 100% | -3.2% | -3.2% | 23.6M | 100.0% | -3.8% | -11.8% |
| White mushrooms | $53.8M | 49.8% | -3.6% | -6.4% | 13.2M | 56.1% | -5.4% | -15.4% |
| Crimini mushrooms | $37.9M | 35.1% | -2.0% | +9.0% | 8.1M | 34.3% | -1.2% | +0.4% |
| Specialty mushrooms | $6.2M | 5.8% | -1.3% | +7.9% | 0.4M | 1.9% | -3.8% | -5.6% |

Source: Circana, Integrated Fresh, MULO+, 4 weeks ending 7/14/2024

When comparing the quad week’s performance to the prior quad week, volume patterns remained consistent with prior years. Volume sales during quad week seven (the four weeks ending 7/14) tend to be lower than quad weeks two to six. Using the quad-week’s contribution to annual sales has proven to be a close estimate to actual pounds (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 | 2.0% | -1.5% | -2.6% | -1.8% | -3.2% | -3.5% | -3.6% | -2.0% | 1.0% | 1.5% | 1.4% | 7.9% | 7.3% |
| 2018 | 1.1% | -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 | 3.1% | -1.9% | 12.5% | 5.0% | 2.1% | -8.3% | -3.9% | -2.9% | -1.0% | 0.3% | 2.6% | 4.8% | 4.0% |
| 2021 | 5.2% | -5.5% | -4.6% | -0.7% | -4.3% | -3.6% | -5.8% | -0.8% | 2.1% | -0.3% | 2.5% | 5.3% | 2.6% |
| 2022 | 3.4% | -4.7% | -2.6% | -3.0% | -3.1% | -4.3% | -3.3% | -1.2% | 1.0% | 0.7% | 3.7% | 8.0% | 1.5% |
| 2023 | 2.5% | -4.1% | -1.9% | -1.1% | -2.0% | -4.2% | -4.0% | -1.8% | 0.8% | 1.9% | 2.6% | 9.1% | 0.8% |
| 2024 | 1.0% | -3.2% | -1.9% | -0.7% | -4.0% | -3.6% | -4.1% |  |  |  |  |  |

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. 7/14/2024 | Vs. YA | Vs. 2YA | Latest 52 w.e. 7/14/2024 | Vs. YA | Vs. 2YA |
| Price/unit | $3.03 | +1.1% | +2.3% | $3.02 | +0.1% | +5.3% |
| Price/volume | $4.58 | +0.6% | +1.9% | $4.54 | +0.2% | +5.0% |

Fresh mushroom promotions averaged 16% of total dollars during the quad week, below the annual average.

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| Fresh mushrooms | 4 w.e. 7/14/2024 | Vs. YA | Latest 52 w.e. 7/14/2024 | Vs. YA |
| Share of dollars sold on promotion | 16.1% | +2.2% | 17.6% | +12.2% |

Source: Circana, Integrated Fresh, MULO+, YTD and 4 weeks ending 7/14/2024

## **Additional observations:**

* Package size: 8-ounce packages generated $740 million in the past year, a slight decrease of 1.9% versus year-ago levels. 16-ounce packages are the next largest seller, at $235 million over the latest 52 weeks, down 8.1%. 24-ounce packages outperformed and grew dollars, units and pounds, though 52-week sales are much lower, at $239 million.
* Organic vs. conventional: Organic mushrooms made up a little more than 22.3% of pounds, which is far more than the 12% for total produce. Dollar and volume sales were up for organic mushrooms, with a 2.0% year-on-year increase for organic mushroom pounds.
* 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 7/14/2024