

Fresh Mushroom Sales Review; 4 and 52 w.e. 8.11.2024

# **July-August in Review**

* The July and August consumer media headlines reflected the ongoing pressure on restaurants. Tight finances and mounting job market pressure have led to lower consumer confidence and more trips to the grocery store. Consumers are making more home-prepared meals across all occasions, but also integrate grocery deli-prepared foods and meals more often.
* In addition to the widely reported bankruptcy filings by Red Lobster, Buca di Beppo, Rubio’s, World of Beer and several small restaurant chains filed for Chapter 11 bankruptcy in the past few months. Other restaurant chains, including TGI Friday’s, Hooters and Arby’s closed multiple underperforming locations. In response to consumers’ financial woes, many restaurants are turning to value, such as McDonald’s $5 meal deal.
* For restaurants and grocery stores alike, the changes are predominantly driven by lower-income consumers.
* A new report by the U.S. Department of Agriculture predicts that food prices will continue to decelerate. Prices for all food are now predicted to increase 2.2% over 2024, with food-at-home prices projected to go up just 1.0%. The 2025 forecast expects a 2.0% price increase for total food, with a below-average anticipated increase of 0.7% for food-at-home prices.

# **A Larger Marketplace Reflection**

Note that his report reflects the upgraded Circana universe, called MULO+. 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 $106.5 million in sales, which was down 1.5% from year-ago levels. The four-week unit and pound declines were similar to the 52-week performance.

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| Fresh mushrooms | 4 weeks ending 8/11/2024 | Vs. YA | Vs. 3YA | Latest 52 w.e. 8/11/2024 | Vs. YA | Vs. 3YA |
| Dollars | $106,483,140 | -1.5% | -3.7% | $1,524,989,988 | -2.5% | -5.7% |
| Units | 35,513,668 | -3.2% | -11.9% | 504,588,920 | -2.7% | -14.7% |
| Volume (pounds) | 23,433,517 | -2.6% | -11.6% | 335,662,067 | -2.8% | -14.4% |

Source: Circana, Integrated Fresh, MULO+, YTD and 4 weeks ending 8/11/2024

## **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 versus other varieties. Crimini mushroom sales had a slightly better year-on-year volume performance in comparison to white mushrooms.

Specialty mushrooms reflect 5.9% of sales in the expanded MULO+ universe. Dollar and volume sales decreased slightly year-on-year, though remain up versus three years ago.

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| **4 weeks ending 8/11/2024** | **Dollars** | **Dollar share** | **$ sales vs. YA** | **$ sales vs. 3YA** | **Volume (lbs)** | **Lbs****share** | **Lbs vs. YA** | **Lbs vs. 3YA** |
| **Total fresh mushrooms** | $106.5M | 100% | -1.5% | -3.7% | 23.4M | 100% | -2.6% | -11.6% |
| White mushrooms | $53.0M | 49.8% | -1.7% | -7.3% | 13.1M | 56.1% | -3.8% | -16.0% |
| Crimini mushrooms | $37.5M | 35.2% | -0.5% | +8.6% | 8.1M | 34.4% | +0.1% | +1.1% |
| Specialty mushrooms | $6.3M | 5.9% | -0.9% | +9.4% | 0.4M | 1.9% | -1.4% | +4.6% |

Source: Circana, Integrated Fresh, MULO+, 4 weeks ending 8/11/2024

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 8/11) 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% | -0,6% |  |  |  |  |  |

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. 8/11/2024 | Vs. YA | Vs. 2YA | Latest 52 w.e. 8/11/2024 | Vs. YA | Vs. 2YA |
| Price/unit | $3.00 | +1.8% | +1.5% | $3.02 | +0.2% | +4.9% |
| Price/volume | $4.54 | +1.2% | +1.2% | $4.54 | +0.3% | +4.5% |

Fresh mushroom promotions averaged 20.4% of total dollars during the quad week, above the annual average.

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| Fresh mushrooms | 4 w.e. 8/11/2024 | Vs. YA | Latest 52 w.e. 8/11/2024 | Vs. YA |
| Share of dollars sold on promotion | 20.4% | +6.9% | 17.4% | +0.1% |

Source: Circana, Integrated Fresh, MULO+, YTD and 4 weeks ending 8/11/2024

## **Additional observations:**

* Package size: 8-ounce packages generated $739.5 million in the past year, a slight decrease of 1.8% versus year-ago levels. 16-ounce packages are the next largest seller, at $234.7 million over the latest 52 weeks, down 7.9%. 24-ounce packages outperformed and grew dollars, units and pounds.
* Organic vs. conventional: Organic mushrooms made up a little more than 20.4% of pounds, which is far more than the 7.5% for total produce. Dollar and volume sales were up for organic mushrooms, with a 5.2% 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 8/11/2024