

Fresh Mushroom Sales Review; 4 and 52 w.e. 9.8.2024

# **August-September in Review**

* The August 2024 Consumer Sentiment Index by the University of Michigan improved ever so slightly to 67.9. As such, Americans’ current day sentiment remained far below the neutral rating of 100. Consumers continue to point to impact of high prices and perceive substantial uncertainty in the trajectory of the economy, per the August findings. However, 9 in 10 consumers are willing to spend a little more during holidays or entertaining, and when they believe something is healthier or more sustainably grown.
* USDA’s Economic Research Service released the 2023 Food Security numbers. In 2023, 13.5% of households were food insecure at least some time during the year. Per the ERS, this is a statistically significant increase from the 12.8% in 2022.
* This widespread pressure on income has resulted in fewer restaurant visits and a greater share of food dollars flowing into retail in recent months. When shopping for groceries, consumers also apply a wide range of money-saving measures.
* While consumers are focused on price and promotions, it is rarely the only consideration going into the purchase. There are no linear consumer purchase patterns, which makes the marketplace complex but also ripe with opportunities for growth. Value-added and deli-prepared sales are strengthening, reflecting a continued need for convenient solutions.

# **Reminder: The Switch to MULO+**

Reminder that the Mushroom Council reporting has upgraded to Circana’s MULO+ universe, which encompasses food, club, online and other retailers that were previously not included in data collection or projection. The mushroom universe expanded by 14.8% to annual sales of $1.5 billion annually. through the inclusion of food, club, online and other retailers who were not previously included nor projected in the data. All historic data points in the spreadsheet and PowerPoint have been upgraded to MULO+.

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

Sales tend to turn around during quad-week nine and they were even stronger than expected. The quad-week generated about $110 million in sales, which meant dollar sales held steady against year-ago levels. Additionally, pounds were down a mere 0.5%, making this quad-week growth performance one of the best in several years.

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| Fresh mushrooms | 4 weeks ending 9/8/2024 | Vs.  YA | Vs.  3YA | Latest 52 w.e. 9/8/2024 | Vs.  YA | Vs.  3YA |
| Dollars | $109,873,492 | +0.0% | -2.7% | $1,525,039,506 | -2.3% | -5.3% |
| Units | 36,350,144 | -1.4% | -11.7% | 504,104,305 | -2.6% | -14.3% |
| Volume (pounds) | 24,115,686 | -0.5% | -10.9% | 335,543,860 | -2.6% | -13.9% |

Source: Circana, Integrated Fresh, MULO+, YTD and 4 weeks ending 9/8/2024

## **Performance by Type**

In the new MULO+ universe, white mushrooms represented slightly more than half of the dollars, at 50.1% of total mushroom dollar sales, yet 57.1% of pounds due to a lower price per pound versus other varieties. White mushroom dollar sales were down slightly, at -0.3% during the four-week period, roughly the same as the pound decline of -0.5%.

Crimini mushroom sales had the better year-on-year volume performance with growth in both dollars (+0.6%) and pounds (+0.5%) during the quad-week period when compared to the same four weeks last year. Specialty mushrooms reflect 6.3% of sales in the expanded MULO+ universe. Dollar (+6.8%) and volume (+4.7%) sales increased substantially year-on-year.

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| **4 weeks ending 9/8/2024** | **Dollars** | **Dollar share** | **$ sales vs. YA** | **$ sales vs. 3YA** | **Volume (lbs)** | **Lbs**  **share** | **Lbs  vs. YA** | **Lbs vs. 3YA** |
| **Total fresh mushrooms** | $109.9M | 100% | -0.0% | -2.7% | 24.1M | 100% | -0.5% | -10.9% |
| White mushrooms | $55.1M | 50.1% | -0.3% | -6.4% | 13.8M | 57.1% | -0.5% | -14.6% |
| Crimini mushrooms | $38.6M | 35.2% | +0.6% | +8.7% | 8.2M | 34.0% | +0.5% | +0.9% |
| Specialty mushrooms | $6.9M | 6.3% | +6.8% | +15.7% | 0.5M | 2.0% | +4.7% | +3.3% |

Source: Circana, Integrated Fresh, MULO+, 4 weeks ending 9/8/2024

Reflecting typical quad-week nine patterns, volume sales started improving in the four weeks ending September 8th, 2024. At +2.9%, the increase versus the prior quad-week was similar to the growth seen in 2018 and 2019. Mushroom volume sales typically gear up between now and January (see forecasting tab in the data spreadsheet for more information).

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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% | 2.9% |  |  |  |  |

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

## **Inflation and promotions**

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. 9/8/2024 | | Vs.  YA | Vs.  2YA | Latest 52 w.e. 9/8/2024 | Vs.  YA | Vs.  2YA |
| Price/unit | | $3.02 | +1.3% | +1.5% | $3.03 | +0.3% | +4.4% |
| Price/volume | | $4.56 | +0.5% | +0.6% | $4.54 | +0.4% | +3.9% |

Fresh mushroom promotions averaged 17.4% of total dollars during the quad week, above the annual average.

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| Fresh mushrooms | 4 w.e. 9/8/2024 | | Vs. YA | Latest 52 w.e. 9/8/2024 | Vs. YA |
| Share of dollars sold on promotion | | 17.4% | +9.7% | 17.8% | +11.1% |

Source: Circana, Integrated Fresh, MULO+, YTD and 4 weeks ending 9/8/2024

## **Additional observations:**

* Package size: 8-ounce packages generated $739.5 million in the past year, a decrease of 1.6% versus year-ago levels. Meanwhile, 24-ounce packages surpassed 16-ounce packages in dollar and volume sales. Additionally, 24-ounce packages grew dollar, unit and pound sales versus last year.
* Organic vs. conventional: Organic mushrooms made up a little more than 20.3% of pounds, which is far more than the 7.8% for total produce. Dollar and volume sales were up for organic mushrooms, with a 6.2% year-on-year increase for organic mushroom pounds.
* Whole vs. sliced/diced: The performance of whole versus sliced was very similar during this quad-week.

Source: Circana, Integrated Fresh, MULO+, 4 or 52 weeks ending 9/8/2024