

Fresh Mushroom Sales Review; 4 and 52 w.e. 10.6.2024

# **September-October in Review**

* The Labor Day holiday, eastern seaboard port strike and hurricanes Helene and Milton prompted substantial sales spikes throughout the country, and especially the Southeast. Food and beverage sales in this region during the week in advance of hurricane Milton making landfall increased 16.8% versus the same week last year. Disruptions also affected produce sales during this quad-week period.
* The Consumer Sentiment Index by the University of Michigan stood at 70.1 points in September, representing a slight increase from the August 2024 reading of 67.9 points. The university points to a slight increase in the expectations for the economy, though consumers’ assessment of current conditions remained unchanged, at 69.0 points.
* Historically, consumer sentiment tracks along with GDP growth/decline, is strongly related to unemployment rates, sensitive to inflation rates, influenced by interest rates, and closely tied to real personal income growth/decline. This explains the stubbornly low consumer sentiment since early 2024.
* Low sentiment has resulted in fewer restaurant visits and a greater share of food dollars moving to retail. Most departments achieved real growth with year-over-year increases in units and/or volume.
* While consumers are focused on price and promotions, it’s rarely the only consideration going into the purchase. This makes the marketplace complex but also ripe with opportunities for growth.

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

The quad-week generated nearly $111 million in sales, which meant dollar sales came very close to year-ago levels. Pounds were down a little, at -1.7%. While this performance is not as strong as the one prior, the market disruptions pulled down sales in the Southeast, which is a large region that affected overall patterns.

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| Fresh mushrooms | 4 weeks ending 10/6/2024 | Vs. YA | Vs. 3YA | Latest 52 w.e. 10/6/2024 | Vs. YA | Vs. 3YA |
| Dollars | $110,822,693 | -0.5% | -3.4% | $1,525,312,146 | -2.1% | -4.9% |
| Units | 36,423,806 | -2.7% | -11.0% | 503,259,257 | -2.7% | -14.0% |
| Volume (pounds) | 24,279,714 | -1.7% | -10.0% | 335,240,864 | -2.6% | -13.5% |

Source: Circana, Integrated Fresh, MULO+, YTD and 4 weeks ending 10/6/2024

## **Performance by Type**

In the new MULO+ universe, white mushrooms represented slightly less than half of the dollars, at 49.0% of total mushroom dollar sales, yet 55.9% of pounds due to a lower price per pound versus other varieties. White mushroom dollar sales were down -2.3% during the four-week period, roughly the same as the pound decline of -2.3%.

Crimini mushroom sales had a better year-on-year volume performance. While sales grew the prior quad-week period, the four weeks ending October 6th did see declines in dollars and pounds but the decreases were far milder than those seen in white mushrooms. Specialty mushrooms reflect 7.9% of sales in the expanded MULO+ universe. Dollar (+23.4%) and volume (+21.4%) sales increased substantially year-on-year.

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| **4 weeks ending 10/6/2024** | **Dollars** | **Dollar share** | **$ sales vs. YA** | **$ sales vs. 3YA** | **Volume (lbs)** | **Lbs****share** | **Lbs vs. YA** | **Lbs vs. 3YA** |
| **Total fresh mushrooms** | $110.8M | 100% | -0.5% | -3.4% | 24.3M | 100% | -1.7% | -10.0% |
| White mushrooms | $54.3M | 49.0% | -2.3% | -8.2% | 13.6M | 55.9% | -2.3% | -14.2% |
| Crimini mushrooms | $39.4M | 35.6% | -0.8% | +6.2% | 8.5M | 35.1% | -1.4% | +0.5% |
| Specialty mushrooms | $8.8M | 7.9% | +23.4% | +22.9% | 0.6M | 2.5% | +21.4% | +11.2% |

Source: Circana, Integrated Fresh, MULO+, 4 weeks ending 10/6/2024

Reflecting typical quad-week 10 patterns, volume sales gained steam in the four weeks ending October 6th, 2024. At +0.7%, the increase versus the prior quad-week was similar to the growth seen in 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% | 0.7% |  |  |  |

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. 10/6/2024 | Vs. YA | Vs. 2YA | Latest 52 w.e. 10/6/2024 | Vs. YA | Vs. 2YA |
| Price/unit | $3.04 | +2.3% | +0.8% | $3.03 | +0.6% | +4.0% |
| Price/volume | $4.56 | +1.3% | -0.1% | $4.55 | +0.6% | +3.5% |

Fresh mushroom promotions averaged 18.4% of total dollars during the quad week, about the same as the annual average.

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| Fresh mushrooms | 4 w.e. 10/6/2024 | Vs. YA | Latest 52 w.e. 10/6/2024 | Vs. YA |
| Share of dollars sold on promotion | 18.4% | +3.6% | 17.9% | +9.2% |

Source: Circana, Integrated Fresh, MULO+, YTD and 4 weeks ending 10/6/2024

## **Additional observations:**

* Package size: 8-ounce packages generated $738 million in the past year, a decrease of 1.6% versus year-ago levels. Meanwhile, 24-ounce packages remained ahead of 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 20.5% of pounds, which is far more than the 8.3% for total produce. Dollar and volume sales were up for organic mushrooms, with a 4.0% 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 10/6/2024