

Fresh Mushroom Sales Review; 4 and 52 w.e. 12.29.2024

# **The Quad-Week in Review**

* Consumer sentiment soared 14% in December 2024, reaching its highest rating since July, according to the University of Michigan Index. These trends are attributed to a sharp increase in consumers believing inflation will slow down and the economy will improve in the near term. The Index rose across the population, including all ages, income levels, education, and regions of the country. Sentiment is now just shy of the midpoint between the pre-pandemic reading and the historic low reached in June 2022.
* With more than two-thirds of the U.S. economy fueled by consumer spending, this rising optimism tends to translate into greater spending. This was certainly reflected during post-Thanksgiving through the end-of-year shopping patterns. The Circana survey of primary shoppers found that 52% dined at restaurants, up from 43% the month prior. At retail, total and food and beverage dollar sales gained 2.1% in December, though unit sales were flat. The fresh perimeter increased sales by 3.5% with units up 0.4% over December last year. It is important to note that December sales reporting went through 12/31/2023 last year and 12/29/2024 this year, which no doubt moved some of the New Year’s meal dollars into January 2025.
* 2024 ended up being a strong year for grocery retailers, with total food and beverage sales of $922 billion. Sales rose 3.0% in dollars and 1.3% in units. Everyday demand was strong due to purchasing restaurant food less often while cooking more in an effort to save money. Holidays and special occasions remained a time when consumers splurged a bit more prompting new records for many of the big national holidays.

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

The quad-week generated $121 million in sales, which meant dollar sales were down 4.8% from year-ago levels. As seen across the departments, year-over-year growth results are impacted by the cut-off dates of the quad-weeks relative to the holiday timing. In 2023, the comparable quad-week cut off on December 31st, likely capturing all or most New Year’s food dollars. This year, the quad-week cut off on December 29th, which means perishables, in particular, are likely to move into the January report. Pounds decreased also, at -3.6%.

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| Fresh mushrooms | 4 weeks ending 12/29/2024 | Vs. YA | Vs. 3YA | Latest 52 w.e. 12/29/2024 | Vs. YA | Vs. 3YA |
| Dollars | $121.0M | -4.8% | -6.5% | $1.517B | -1.9% | -4.5% |
| Units | 39.3M | -3.3% | -7.0% | 500.1M | -2.8% | -12.7% |
| Volume (pounds) | 26.9M | -3.6% | -10.0% | 333.6M | -2.6% | -12.3% |

Source: Circana, Integrated Fresh, MULO+, YTD and 4 weeks ending 12/29/2024

## **Performance by Type**

In the MULO+ universe, white mushrooms represented 49.5% of total mushroom dollars, which is elevated compared to typical weeks. This is driven by light consumers entering the category. Crimini mushrooms, which had been the better performer most of the year, struggled this particular quad week.

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| **4 weeks ending 12/29/2024** | **Dollars** | **Dollar share** | **$ sales vs. YA** | **$ sales vs. 3YA** | **Volume (lbs)** | **Lbs****share** | **Lbs vs. YA** | **Lbs vs. 3YA** |
| **Total fresh mushrooms** | $121.0M | 100.0% | -4.8% | -6.5% | 26.9M | 100.0% | -3.6% | -10.0% |
| White mushrooms | $59.9M | 49.5% | -5.0% | -10.5% | 15.1M | 56.1% | -3.5% | -13.6% |
| Crimini mushrooms | $43.2M | 35.7% | -5.6% | +1.1% | 9.5M | 35.3% | -4.8% | -2.4% |
| Portabella mushrooms | $8.5M | 7.0% | -1.9% | -26.9% | 1.7M | 6.2% | +3.1% | -21.5% |
| Specialty mushrooms | $8.0M | 6.7% | -1.0% | +18.2% | 0.6M | 2.2% | -0.9% | +16.6% |

Source: Circana, Integrated Fresh, MULO+, 4 weeks ending 12/29/2024

While mere days, the week ending impact prompted a ripple in the typical quad-week 13 patterns. While the period-over-period increase has lessened in recent years, quad week 13 is typically bigger than the 12th time period. This year was the first time in eight years that this was not the case. It is likely that some of the pounds will move into quad-week one in 2025.

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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% | 1.3% | 10.9% | -1.5% |

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

## **Inflation and promotions**

Mushroom prices decreased slightly over the past four weeks on a per pound basis. Across all types and sizes, the average package price reached $3.08, down 1.6% from last year. During the full year, prices increased around 1% on a per unit basis.

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| Fresh mushrooms | 4 w.e. 12/29/2024 | Vs. YA | Vs. 2YA | Latest 52 w.e. 12/29/2024 | Vs. YA | Vs. 2YA |
| Price/unit | $3.08 | -1.6% | -2.1% | $2.96 | +0.9% | +2.5% |
| Price/volume | $4.50 | -1.3% | -2.2% | $4.55 | +0.7% | +2.0% |

Fresh mushroom promotions averaged 18.0% of total dollars during the quad week, which was exactly the same share as the average for the year.

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| Fresh mushrooms | 4 w.e. 12/29/2024 | Vs. YA | Latest 52 w.e. 12/29/2024 | Vs. YA |
| Share of dollars sold on promotion | 18.0% | +15.6% | 18.0% | +3.8% |

Source: Circana, Integrated Fresh, MULO+, YTD and 4 weeks ending 12/29/2024

## **Additional observations:**

* Package size: 8-ounce packages generated $731 million in the past year, a decrease of 2.0% versus year-ago levels. Meanwhile, 24-ounce packages grew dollar, unit and pound sales versus last year, whereas 16-ounce packages had a below-average performance. The 24-ounce packages also performed best in the quad-week view.
* Organic vs. conventional: Organic mushrooms generated $27.9 million in sales over the quad-week period, up 1.6% over year ago levels as well as ahead of the prior two and three years. Additionally, organic mushrooms gained in unit and volume sales. The gains were also affected by the shift in the quad-week ending, at a more subdued level than seen during the past year.
* Value added: Value added mushrooms represented $628 million in sales in the past year and $47 million in the quad week. Value-added makes up a bigger share of sales than produce in general, however, conventional mushrooms outperformed in the shorter- and longer-time periods.
* Preparation: Within value added, stuffed mushroom sales reached $28 million for the year, which was down 4.2% and sliced mushroom sales were down 4.5% for the year.

Source: Circana, Integrated Fresh, MULO+, 4 or 52 weeks ending 12/29/2024