

Progressive Grocer
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125,358 Impressions



Organic Opportunities

At a time when shoppers are rethinking their food budgets, the value proposition of organic produce is coming under closer scrutiny but is holding its own, thanks in part to private label penetration.

By Meg Major

After years of dynamic double-digit growth for organic fruits and vegetables, it seems clear that the drop-off in demand for organic fresh produce — which can still be two to three times as expensive as their conventional counterparts in certain parts of the country — was only to be expected.

But in the present watershed period of tighter household budgets and changing consumer priorities, the dubious economy has undoubtedly cast a lingering shadow on the mature organic produce category, sales of which are nevertheless expected to level off and hold steady from here. Backing that up is recent consumer survey data from market researcher Mintel, which found the 36 percent of Americans claiming to almost always or regularly

sum is undoubtedly higher, though, given that Nielsen numbers exclude sales from some of the nation's foremost house brand retailer leaders such as Costco, Trader Joe's, Aldi and Whole Foods Market.



Despite the poor economy, mushroom sales continue to grow — even those of organic varieties — making mushrooms a key contributor to overall store sales.

Mushrooms Making Mighty Inroads

DESPITE the economic downturn, mushrooms proved to be a sales generator for the produce department in 2008. As the fourth-largest produce growth category, fresh mushrooms are a key contributor to overall store sales.

To wit: Sales for fresh mushrooms were up 20 percent in 2008 and volume remained positive, according to IRI Food Store Sales Research for the period ending Dec. 28, 2008. While many produce staples struggled to gain retail sales momentum, mushrooms remained resilient, showing strong results.

What's more, despite the fragile economy, organic mushroom sales are still growing, having increased 20 percent in 2008 over the previous year to \$21.5 million. Further, 13 million pounds of organic mushrooms were sold in supermarkets during the 2007-'08 growing season.

These impressive results are in line with a May 2008 Rose Research survey that showed that consumers pointed to mushrooms as their third-favorite vegetable, ahead of top performers corn, asparagus and carrots.

"During a year when consumers are paying attention to how they spend their money, there was a resounding and growing demand for mushrooms,"

says Bart Minor, president and CEO of the San Jose, Calif.-based Mushroom Council. "This growth highlights the fact that consumer demand for fresh mushrooms is strong, making them a reliable value generator for the produce department."

In fact, Minor says studies show that mushrooms are a key contributor to overall store sales; consumers who shop for mushrooms have shopping baskets that are 10 percent larger than those of non-mushroom shoppers. As mushrooms increase in popularity for their variety, versatility and value, mushrooms have

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