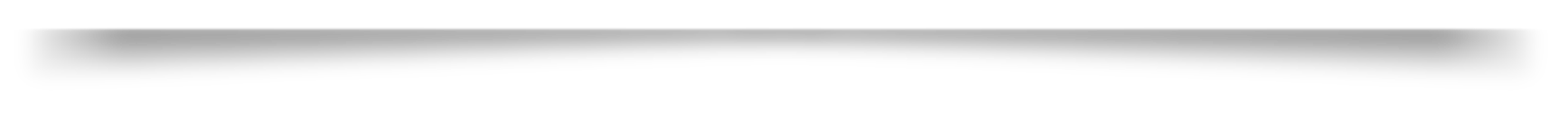


2021 Fresh Mushroom Year in Review

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

The 2021 performance of just about all categories in food retailing was heavily influenced by three major areas:

* The category’s performance in 2020 set the tone for the difficulty (or ease) for continued growth in 2021
* Inflationary pressure of the category
* Supply chain challenges, affecting availability and ability to promote

Mushrooms were among the top performing produce categories throughout the first year of the pandemic — trending in the top 10 absolute growth drivers for 52 weeks straight. In 2020, mushroom dollar sales increased 19.7% and volume (pound) sales increased 16.7% versus 2019. This created a very difficult path for continued growth in 2021 and fresh mushroom sales did not reach prior-year levels. Dollars dropped 5.1% year-over year and volume declined 6.8%. However, 2021 dollar sales exceeded the pre-pandemic levels of 2019 by 13.6% and volume by 8.7%.

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| --- | --- | --- | --- |
| Fresh mushrooms | 2021 | Vs. 2020 | Vs. 2019 |
| Dollars | $1.317 billion | -5.1% | +13.6% |
| Units | 483 million | -7.7% | +6.0% |
| Volume | 306 million pounds | -6.8% | +8.7% |

Source: IRI, Integrated Fresh, MULO, 52 weeks ending 12/26/2021

At $1.3 billion, 2021 was the second-best performance since 2016 (the oldest year available in the IRI database). Mushrooms jumped to the being the seventh-largest seller within vegetables.

## **Inflation**

Inflation was high across the store in 2021, particularly during the third and fourth quarters. Throughout the year, increases in the price per unit and the price per pound for mushrooms was far below average. Total produce, for instance, had an increase of 7.1% in the average price per pound versus just +1.9% for fresh mushrooms. Fresh mushroom price increases did start to accelerate come fourth quarter (+3.5% versus year ago) and mushroom had above-average inflation in 2019 and 2020 when compared to total produce.

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| Fresh mushrooms | 2021 | Vs. 2020 | Vs. 2019 |
| Price/unit | $2.73 | +2.8% | +7.2% |
| Price/volume | $4.31 | +1.9% | +4.5% |
| Share of dollars sold on promotion | 15.1% | -4.4% | -32.9% |
| Share of pounds sold on promotion | 17.5% | -4.9% | -31.7% |

Source: IRI, Integrated Fresh, MULO, 52 weeks ending 12/26/2021

## **Performance by segment**

White button mushrooms represent 52.4% of total fresh mushroom sales and 59.5% of pounds. Crimini/brown mushrooms are the second-largest segment, with a growing share. Whereas in 2016, crimini/brown mushrooms represented 20.6% of pounds, they made up 29.2% in 2021. The crimini/brown mushroom dollar share increased from 22.4% in 2016 to 29.9% in 2021.

The overall decline in fresh mushroom sales on a year-on-year comparison is driven by declines in each of the top three sellers. A few segments had year-on-year growth, being shiitake, oyster, chanterelle, morel and black forest mushrooms. When compared to 2019, the vast majority of segments had robust growth, including the three big sellers, led by crimini/brown, at +26.5%.

|  |  |  |  |
| --- | --- | --- | --- |
| Dollar sales | **2021** | **% change vs.’20** | **% change vs.’19** |
| **Total mushrooms** | **$1.3B** | **-5.1%** | **+13.6%** |
| White button | $690.9M | -7.5% | +5.3% |
| Crimini/brown | $393.5M | -1.8% | +26.5% |
| Portabella | $132.6M | -3.0% | +10.2% |
| Shiitake | $54.5M | +3.9% | +42.0% |
| Other | $37.5M | -15.7% | +32.9% |
| Oyster | $7.3M | +10.9% | +41.5% |
| Chanterelle | $827K | +46.3% | +189.0% |
| Enoki | $369K | -24.3% | -30.0% |
| Morel | $171K | +16.2% | -18.7% |
| Wood ear | $34K | -35.4% | -32.9% |
| Porcini | $25K | -48.9% | -64.1% |
| Black forest | $8K | +14.4% | +45.3% |

Source: IRI, Integrated Fresh, MULO, 52 weeks ending 12/26/2021

## **Additional observations:**

* Regional look: Across IRI’s eight regions, California, the Great Lakes, the Northeast and the West have an above-average share of mushroom sales when compared to their share of total food and beverage dollars. While all regions had year-over-year declines in sales, they were the smallest in the West (excl. California). Several regions that under index for current consumption had above-average growth, including the Southeast and the Mid-South.
* Quarterly performance: The first quarter was the biggest of the four for both regular white button mushrooms and crimini/brown mushrooms. The fourth quarter was the second-biggest — signaling significant opportunity gaps for the second and third quarters.
* Fixed versus random weight performance: The vast majority of fresh mushroom dollars and pounds were fixed weight in 2021, at 94.8% and 95.3%, respectively. Just like in the total fresh produce, fixed weight performed better than random weight in both 2020 and 2021. Fixed weight mushrooms dollar sales were down 5.6% versus 12.4% for random weight in 2021 versus year ago.
* Package size analysis: Eight-ounce packages ($685 million) and 16-ounce packages ($249 million) drove the bulk of fresh mushroom sales. But packages smaller than eight ounces (+1.6%) and larger than 16 ounces (+2.8%) had year-on-year growth, albeit off a small base.
* Organic versus conventional: Organic dollar sales made up 12.4% of total fresh mushroom sales in 2021. Organic mushrooms had a slightly better performance, down 5.4% year-on-year versus -6.1% for conventional. Organic crimini/brown mushroom sales ($61 million) exceeded those of organic white button mushrooms ($58 million) in 2021, along with having higher volume sales. Organic fresh mushroom sales were the second-highest since 2017. Its share of total mushroom dollars has risen from 10.0% in 2017 to 12.4% in 2021.
* Cut/prepared versus whole mushrooms: Cut or prepared mushrooms made up 54.1% of dollar sales in 2021 and had a slightly better performance than mushrooms with no preparation. About half of cut/prepared fresh mushroom sales were made up by white button mushrooms. Cut/prepared portabella mushrooms had the best year-on-year performance, though still down -2.4%. The share of cut/prepared as a percentage of total mushroom sales rebounded a bit in 2021, to 54.1%, up from 53.9%.

Source: IRI, Integrated Fresh, MULO, 52 weeks ending 12/26/2021