

January 2022 Fresh Mushroom Sales Review

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

High inflation boosted produce dollars in the first four weeks of 2022, but volume pressures persisted. The total produce department reached $5.3 billion in the four weeks ending January 23, 2022, which was up 4.0% over the comparable period last year and up 15.4% versus 2019. However, units (transactions) were down 4.6% and volume (pounds) decreased by 4.5% year-on-year. For virtually all areas in produce, today’s performance story is determined by the three-way combination of the level of inflation, market disruption and the sales results in the first pandemic year. Many produce items, mushrooms included, are not lacking from consumer demand but rather the supply chain is struggling to meet the demand. Additionally, the greater the early pandemic spikes, the harder the road to continued growth. Fresh mushrooms trended in the top 10 produce categories with absolute dollar growth for 52 straight weeks, creating a tough path for continued gains, especially in the light of limited supply.

For the first four weeks of January, fresh mushroom dollars decreased 8.3% year-over year and volume declined by 11%. However, January 2021 fresh mushrooms dollar sales exceeded the pre-pandemic levels of the first four weeks of 2020 by 8.3% and volume by 0.2%. This illustrates that demand is really on par with normal levels. A shift has taken place to larger package sizes, illustrated by units being down by 2.5% but volume being up 0.2%.

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| Fresh mushrooms | 4 weeks ending 1/23/2022 | Vs. 2021 | Vs. 2020 |
| Dollars | $110.8 million | -6.3% | +8.3% |
| Units | 39.1 million | -10.5% | -2.5% |
| Volume | 24.5 million pounds | -11.0% | +0.2% |

Source: IRI, Integrated Fresh, MULO, 4 weeks ending 1/23/2022

Fresh mushroom sales were very consistent during the first four weeks of the year, right around $28 million or 6 million pounds per week. The week ending January 16 was the highest of the four, with sales of $28.6 million and 6.4 million pounds sold through the traditional retail channels. While each of the four weeks showed lower dollar sales than the comparable week in 2021, gains versus January 2020 were strong. In fact, the last two weeks show volume up 3.1% and 2.5% versus year ago.

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| Fresh mushrooms | Dollar  sales | Dollar gains vs. 2021 | Dollar gains vs. 2020 | Volume  sales | Volume gains vs. 2021 | Volume gains vs. 2020 |
| January 2022 | **$110.8M** | **-6.3%** | **+8.3%** | **24.5M** | **-11.0%** | **+0.2%** |
| w.e. 1/2/2022 | $27.1M | -7.7% | +5.2% | 5.9M | -12.6% | -3.6% |
| w.e. 1/9/2022 | $27.9M | -6.2% | +6.3% | 6.2M | -11.0% | -1.1% |
| w.e. 1/16/2022 | $28.6M | -4.1% | +11.2% | 6.4M | -9.2% | +3.1% |
| w.e. 1/23/2022 | $27.1M | -7.4% | +10.7% | 6.0M | -11.4% | +2.5% |

Source: IRI, Integrated Fresh, MULO, 4 weeks ending 1/23/2022

## **Inflation**

The total produce performance was heavily impacted by inflation in January 2022. Produce prices increased 9.0% during the four weeks ending January 23rd on a per unit and per pound basis. Fruit had the higher inflation but even vegetables increased to an average of $1.89 per pound, up 4.8% versus year ago.

The increases in the price per unit and the price per pound for mushrooms during this same time period were far below average. The average price per volume for fresh mushrooms increased 5.3% during the first four weeks of 2022 versus the same period in 2021, to an average of $4.52. While inflation is below average, that does make mushroom a higher ring item than many other produce items on both a per unit and per volume basis. The unit price increase was similar, at +4.7% to an average of $2.83. Fresh mushroom dollar and pounds were much less promoted. Down by about one-third, only 11.0% of January mushroom dollars happened while on promotion.

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| Fresh mushrooms | 4 weeks ending 1/23/2022 | | Vs. 2021 | Vs. 2020 |
| Price/unit | | $2.83 | +4.7% | +11.1% |
| Price/volume | | $4.52 | +5.3% | +8.1% |
| Share of dollars sold on promotion | | 11.0% | -25.7% | -48.5% |
| Share of pounds sold on promotion | | 17.1% | -25.0% | -27.0% |

Source: IRI, Integrated Fresh, MULO, 4 weeks ending 1/23/2022

## **Performance by segment**

White mushrooms represent 51.7% of total fresh mushroom sales and 58.6% of pounds in the four January weeks. However, it was brown mushrooms, the combination of creminis and portabellas, that fared better. Brown mushrooms increased 15.4% in dollar sales versus the pre-pandemic January 2020 weeks and 9.3% in volume. As such, brown mushrooms were solely responsible for driving volume gains versus January 2020.

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| **4 weeks ending 1/23/2022** | **Dollars** | **Vs. 2021** | **Vs. 2020** | **Volume** | **Vs. 2021** | **Vs. 2020** |
| **Fresh mushrooms** | **$110.8M** | **-6.3%** | **+8.3%** | 24.5M | -11.0% | +0.2% |
| White mushrooms | $57.2M | -7.5% | +3.3% | 14.4M | -12.0% | -4.3% |
| Brown mushrooms | $44.8M | -4.5% | +15.4% | 9.2M | -9.0% | +9.3% |
| Exotic mushrooms | $8.8M | -7.7% | +8.2% | 0.9M | -11.6% | -9.4% |

Source: IRI, Integrated Fresh, MULO, 4 weeks ending 1/23/2022

## **Additional observations:**

* Fixed versus random weight performance: The vast majority of fresh mushroom dollars (95.5%) and pounds (96.1%) were fixed weight in the four January weeks. Just like in fresh produce overall, fixed weight (-4.9% in dollars) performed better than random weight (-18.5%).
* Organic versus conventional: Organic dollar sales made up 13.5% of total fresh mushroom sales in the four January 2022 weeks. Organic mushrooms had a slightly better performance than conventional mushrooms, at +2.4% year-on-year versus -6.7% for conventional.
* Cut/prepared versus whole mushrooms: Cut or prepared mushrooms made up 53.3% of dollar sales in the four January 2022 weeks. Mushrooms without preparation had the better performance. Cut/prepared mushrooms were down 7.5% in dollars and 11.3% in volume. Whole mushrooms were down 3.2% in dollars and 9.3% in volume.

Source: IRI, Integrated Fresh, MULO, 4 weeks ending 1/23/2022