

Fresh Mushroom Sales Review; YTD and 4 w.e. 5.15.2022

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

Persistent and accelerating inflation is pressuring volume across departments from seafood to meat to produce. Year-on-year produce pound sales were down 7.0% for the four weeks ending mid-May. The two-year comparison goes up against some of the biggest weeks in the history of grocery retailing during the height of the shelter-in-place period. This resulted in volume being down in the double digits. However, when compared to the pre-pandemic normal of 2019, pound sales for produce overall, and mushrooms specifically, sat round around typical levels.

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|  | Volume sales | % change vs. YA | % change vs. 2YA | % change vs. 3YA |
| Fresh produce | 3.0B | -7.0% | -17.7% | 0.1% |
| Fresh mushrooms | 21M | -11.8% | -25.3% | -0.2% |

Source: IRI, Integrated Fresh, MULO, 4 weeks ending 5/15/2022

Dollars also could not hold the line during the four weeks ending May 15, 2022 versus year ago. However, when compared with the pre-pandemic normal of 2019, fresh mushroom dollar sales were 10.4% ahead of the pre-pandemic normal.

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| Fresh mushrooms | 4 weeks ending 5/15/2022 | Vs. 2021 | Vs. 2020 | Building CY thru 5/15/2022 | Vs. 2021 | Vs. 2020 |
| Dollars | $95.5 million | -5.9% | -20.0% | $515.1 million | -5.4% | -5.1% |
| Units |  33.7 million | -10.5% | -25.0% | 182.6 million | -9.5% | -12.2% |
| Volume (pounds) |  21.0 million | -11.8% | -25.3% | 114.4 million | -10.3% | -11.2% |

Source: IRI, Integrated Fresh, MULO, 4 weeks ending 5/15/2022 and YTD 2022

Though dollar and pound sales were fairly consistent week-over-week, it was the prior year performance that drove vastly different year-on-year growth percentages. The week after Easter (ending April 24th) was the smallest of the four, which is often the case for post-holiday weeks when consumers’ focus is on leftovers. Pound sales recovered to 5.4 million during the last two weeks of the period.

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| Fresh mushrooms | Dollar sales | Dollar gains vs. 2021 | Dollar gains vs. 2019 | Volume sales | Volume gains vs. 2021 | Volume gains vs. 2019 |
| 4 w.e. 5/15/2022 | $95.5M | -5.9% | 10.6% | 21M | -11.8% | -0.2% |
| w.e. 4/24/2022 | $23.1M | -10.3% | 13.3% | 5.1M | -16.7% | 0.7% |
| w.e. 5/1/2022 | $24.2M | -3.8% | 11.3% | 5.4M | -8.3% | 1.6% |
| w.e. 5/8/2022 | $24.6M | -4.3% | 9.5% | 5.4M | -11.0% | -1.2% |
| w.e. 5/15/2022 | $23.6M | -5.0% | 8.4% | 5.2M | -10.9% | -1.6% |

Source: IRI, Integrated Fresh, MULO, 4 weeks ending 5/15/2022

## **Inflation**

The total produce performance was heavily impacted by inflation in the quad week and year-to-date views. Total produce prices increased 8.6% during the four weeks ending May 15th on a per unit basis and 10.4% on a per pound basis. The difference is indicative of smaller unit sizes. Fruit had the higher inflation but vegetables increased to an average of $1.90 per pound, up 10.4% versus year ago in the four-week period. The increases in the price per pound for mushrooms during this same time period remained below average, at +6.7%. At the same time, at $2.83, the average ring for mushrooms is higher than that of many other vegetable categories for an overall average of $2.61 per unit.

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| Fresh mushrooms | 4 w.e. 5/15/2022 | Vs. 2021 | Vs. 2020 | Building CY thru 5/15/2022 | Vs. 2021 | Vs. 2020 |
| Fresh produce price/unit | $2.61 | +8.6% | +14.7% | $2.57 | +9.6% | +12.9% |
| Fresh produce price/volume | $1.90 | +10.4% | +20.2% | $1.89 | +10.1% | +16.8% |
| Fresh mushrooms price/unit | $2.83 | +5.2% | +6.7% | $2.70 | +4.5% | +8.0% |
| Fresh mushrooms price/volume | $4.54 | +6.7% | +7.2% | $4.50 | +5.5% | +6.8% |

Source: IRI, Integrated Fresh, MULO, 4 weeks ending 5/15/2022

Year-to-date, fresh mushroom dollar and pounds were promoted less often. Less than 15% of dollars were promoted, down 4.1% from year ago when merchandising levels were down as well. In the latest four weeks, a larger share of dollars and pounds were promoted, with a small year-on-year increase for pounds. Vegetables, in general, have seen higher promotional levels in recent month as well.

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| Fresh mushrooms | 4 w.e. 5/15/2022 | Vs. 2021 | Building CY thru 5/15/2022 | Vs. 2021 |
| Share of dollars sold on promotion | 16.4% | -2.7% | 14.9% | -4.1% |
| Share of pounds sold on promotion | 19.9% | 1.8% | 17.5% | -3.3% |

Source: IRI, Integrated Fresh, MULO, 4 weeks ending 5/15/2022

## **Performance by segment**

White mushrooms represented 53.3% of total fresh mushroom sales and 61.0% of pounds in the four-week period. However, it was brown mushrooms, the combination of criminis and portabellas, that fared better. While sales for brown mushrooms was down versus 2021 as well, but the gains versus 2019 are substantially higher.

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| **4 weeks ending 5/15/2022** | **Dollars** | **Dollar share** | **$ sales vs. 2021** | **$ sales vs. 2019** | **Volume (lbs)** | **Lbs****share** | **Lbs vs. 2021** | **Lbs vs. 2019** |
| **Total fresh mushrooms** | **$95.5M** | **100.0%** | **-5.9%** | **+10.6%** | **21M** | **100.0%** | **-11.8%** | **-0.2%** |
| White mushrooms | $50.9M | 53.3% | -5.8% | +2.7% | 12.8M | 61.0% | -11.3% | -6.0% |
| Brown mushrooms | $39.3M | 41.2% | -4.4% | +20.6% | 7.8M | 37.2% | -11.9% | 10.8% |
| Specialty mushrooms | $5.3M | 5.5% | -15.8% | +25.6% | 0.4M | 1.9% | -23.7% | 5.2% |

Source: IRI, Integrated Fresh, MULO, 4 weeks ending 5/15/2022

## **Additional observations:**

* Fixed versus random weight performance: Fixed weight represented 95.1% of dollars and 95.9% of volume in the quad-week period. Fixed weight also had the better dollar, unit and volume performance. While fixed weight was down 6.6% in the four-week period, random weight (loose/bulk) was down 14.6%.
* Organic versus conventional: Organic dollar sales made up 12.7% of total fresh mushroom sales in the four weeks. Organic mushrooms dollars slid back slightly year-on-year (-1.2%), along with units and pounds.
* Cut/prepared versus whole mushrooms: Cut or prepared mushrooms made up 51.8% of pound sales in the four-week period. Mushrooms without preparation had the better performance, down -5.5% year-on-year versus -8.3% for cut/value-added mushrooms.

Source: IRI, Integrated Fresh, MULO, 4 weeks ending 5/15/2022