

Fresh Mushroom Sales Review; 4 and 52 w.e. 5.21.2023

## **Data Note**

The data anomaly excluding two mushroom supercenter UPCs has been corrected. The updated numbers are included in this report.

## **The Marketplace**

As high levels of inflation persist, so are consumers’ money-saving measures. This has resulted in the combination of more store trips as shoppers chase deals. Additionally, the average number of items per shopping trip continues to fall as shoppers adjust purchases to balance their budgets. Fresh vegetables have also experienced volume pressure for a long time. Fruit, that has experienced three months of deflationary conditions, did grow pound sales, which pulled April total fresh produce volume sales into the black for the first time in 21 months, at +0.6% versus year ago levels. Per the April Circana survey of primary grocery shoppers:

* The consumer-estimated share of meals prepared at home rose to 80%, with above average shares for lower-income and fixed-income shoppers.
* 22% of consumers plan to source fewer restaurant meals. Restaurant takeout (ordered by 50% of consumers in the past month) continues to see higher engagement than on-premise dining (48%).
* When buying groceries, a survey high of 85% of consumers apply one or more money-saving measures, led by looking for sales promotions (53%), cutting back on non-essentials (46%) and buying store brands more often (34%).
* At the same time, consumers are changing behaviors inside the home: 40% of consumers noted they are more conscious of using up fresh foods before they go bad, 39% are using leftovers more and 25% are using more simple ingredients.

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

Total food and beverage dollar sales increased 4.7% over the quad-week period, but units were down 2.3%. For the four weeks ending May 21st 2023, fresh produce dollar sales were flat (-0.2%) and fresh mushroom sales were down 1.7% year-on-year. This data **has been** adjusted for the supercenter data error.

Fresh mushrooms experienced unit and volume declines during the shorter and longer time periods. In the latest four weeks, volume declines stayed within 3 points of year ago levels. Importantly, volume declines are moderating in comparison with the 52-week look that shows pounds down 6.9%.

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| Fresh mushrooms | 4 weeks ending 5/21/2023 | Vs. 2022 | Vs. 2020 | Latest 52 w.e. 5/21/2023 | Vs. 2022 | Vs. 2020 |
| Dollars |  $95.2 million | -1.7% | -19.9% |  $1.3 billion | -1.1% | +2.8% |
| Units |  32.9 million | -3.4% | -25.8% |  433.5 million | -7.0% | -9.9% |
| Volume (pounds) |  20.7 million | -2.9% | -26.0% | 273.0 million | -6.9% | -8.2% |

Source: Circana, Integrated Fresh, MULO, YTD and 4 weeks ending 5/21/2023

Weekly sales for mushrooms were extremely consistent, averaging between $23.0 million and $24.4 million in each of the four weeks. The period-over-period sales trends continue to follow long-established patterns (as seen on the forecasting tab). While volume remains below 2019 levels, the gap grew smaller in the latest four weeks.

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| Fresh mushrooms | Dollar sales | Dollar gains vs. 2022 | Dollar gains vs. 2020 | Volume sales | Volume gains vs. 2022 | Volume gains vs. 2020 |
| 4 w.e. 5/21/2023 | **$95.2M** | **-1.7%** | **-19.9%** | **20.7M** | **-2.9%** | **-26.0%** |
| w.e. 4/30/2023 | $24.0M | -1.8% | -20.1% | 5.2M | -4.9% | -26.8% |
| w.e. 5/7/2023 | $23.9M | -4.3% | -21.8% | 5.2M | -4.8% | -27.3% |
| w.e. 5/14/2023 | $24.4M | +1.8% | -15.7% | 5.3M | -0.1% | -23.2% |
| w.e. 5/21/2023 | $23.0M | -2.3% | -21.9% | 5.0M | -1.6% | -26.8% |

Source: Circana, Integrated Fresh, MULO, 4 weeks ending 5/21/2023

## **Inflation**

Inflation in vegetables is moderating and mushrooms are following suit. Mushroom prices per unit increased by 1.8% versus year ago in the latest quad-week period. This is down from 6.3% in the 52-week view.

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| Fresh mushrooms | 4 w.e. 5/21/2023 | Vs. 2022 | Vs. 2020 | Latest 52 w.e. 5/21/2023 | Vs. 2022 | Vs. 2020 |
| Price/unit | $2.90 | +1.8% | +7.9% | $2.95 | +6.3% | +14.1% |
| Price/volume | $4.61 | +1.3% | +8.3% | $4.68 | +6.3% | +12.1% |

Moderation in price increases goes hand-in-hand with an increase in promotional activity. During the latest quad-week period 18.1% of total fresh mushroom dollars sold while on promotion. Promotional levels for total fresh produce as well as total food and beverages also increased substantially year-on-year, but were still below the 2020 pre-pandemic levels.

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| Fresh mushrooms | 4 w.e. 5/21/2023 | Vs. 2022 | Latest 52 w.e. 5/21/2023 | Vs. 2022 |
| Share of dollars sold on promotion | 18.1% | +13.7% | 16.2% | +9.7% |

Source: Circana, Integrated Fresh, MULO, YTD and 4 weeks ending 5/21/2023

## **Performance by segment**

White mushrooms represented 53.2% of mushroom dollars and 60.8% of pounds in the four-week period. Note: the two missing UPCs were an 8-ounce white and 8-ounce sliced white, which means these numbers have changed considerably since the data correction. Brown mushrooms, the combination of criminis and portabellas, fared better than white mushrooms, with crimini coming in just 0.2% below year ago levels in the latest four weeks.

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| **4 weeks ending 5/21/2023** | **Dollars** | **Dollar share** | **$ sales vs. 2022** | **$ sales vs. 2020** | **Volume (lbs)** | **Lbs****share** | **Lbs vs. 2022** | **Lbs vs. 2020** |
| **Total fresh mushrooms** | **$95.2M** | **100.0%** | **-1.7%** | **-19.9%** | **20.7M** | **100.0%** | **-2.9%** | **-26.0%** |
| White mushrooms | $50.2M | 53.2% | -2.7% | -24.9% | 12.5M | 60.8% | -3.1% | -28.6% |
| Brown mushrooms | $39.8M | 41.4% | -0.9% | -13.8% | 7.8M | 37.4% | -2.6% | -21.6% |
| Specialty mushrooms | $5.3M | 5.4% | +1.6% | -12.4% | 0.4M | 1.8% | -1.0% | -23.8% |

Source: Circana, Integrated Fresh, MULO, 4 weeks ending 5/21/2023

## **Additional observations:**

* Package size: 8-ounce packages generated 51.8% of total sales in the four-week period, but dollar sales declined 2.9% versus the same four weeks in 2022. 16-ounce packages represented 19% of sales and grew 1.3% in dollars, while also showing a better-than-average unit and volume performance.
* Organic vs. conventional: Organic mushrooms made up 10.4% of pounds and have been an above-average performer. Dollar sales increased 4.6% along with unit growth of 3.5%.

Source: Circana, Integrated Fresh, MULO, 4 weeks ending 5/21/2023