



2023

ORGANIC MUSHROOM SALES

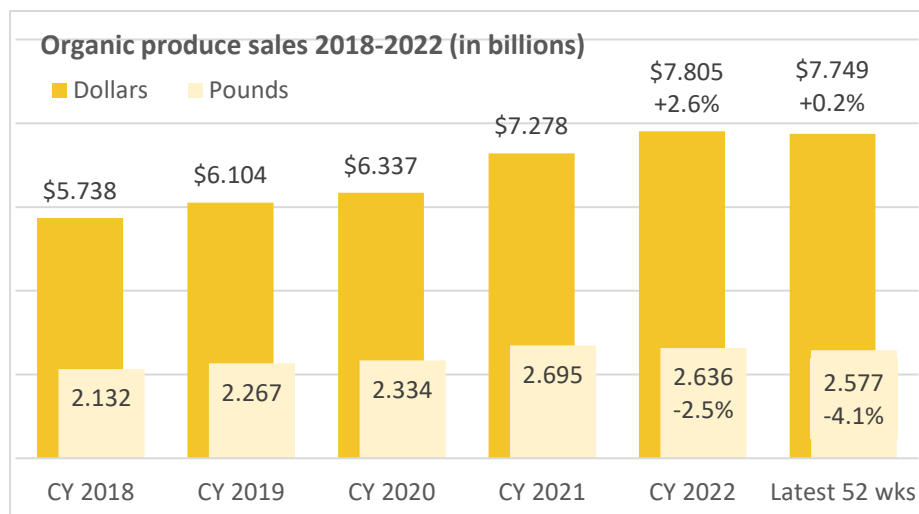
AN IN-DEPTH LOOK AT ORGANIC FRESH PRODUCE AND MUSHROOM SALES AT RETAIL



Organic Mushroom Performance

The Marketplace

Inflation has profoundly changed grocery shopping patterns. The organic produce segment is not immune to the tremendous economic pressure even though core organic shoppers tend to be high-income households. Much like the rest of the produce department, organic dollar sales increased over 2022, but pounds decreased by 2.5%. Pound pressure for organic produce is intensifying, as evidenced by a look at organic produce sales over the 52 weeks ending May 21st 2023.



Source: Circana, Integrated Fresh, Total US, 52 weeks ending 5/21/2023

In the last year, organic fresh produce sales represented 10.2% of dollar sales and 6.3% of pound sales, due to an above-average price per pound. Vegetables have an above-average share of organic sales, at 12.9% of dollars and 6.6% of pound sales.

During the last 52 weeks, conventional sales outperformed organic in total produce and vegetables. Both organic and conventional experienced a decline in units and volume but still managed to grow dollar sales due to inflation. However, the declines seen in organic produce sales exceeded those seen in conventional.

Q1 2023	Produce department			Vegetables		
	Total	Conventional	Organic	Total	Conventional	Organic
Dollar Sales	\$75.7B	\$67.9B	\$7.7B	\$37.4B	\$32.8B	\$4.6B
Dollar share	100.0%	89.8%	10.2%	100.0%	87.1%	12.9%
Dollars vs. YA	+3.3%	+3.6%	+0.2%	+4.9%	+5.5%	+0.9%
Dollars vs. 2YA	+7.7%	+8.1%	+4.5%	+4.6%	+5.0%	+1.4%
Dollars vs. 3YA	+15.9%	+15.8%	+16.3%	+13.2%	+13.2%	+13.4%
Unit Sales	28.9B	26.6B	2.3B	16.1B	14.6B	1.4B
Unit share	100.0%	92.0%	8.0%	100.0%	91.0%	9.0%
Units vs. YA	-2.1%	-1.9%	-4.0%	-2.8%	-2.6%	-4.2%
Units vs. 2YA	-4.9%	-5.0%	-4.3%	-7.5%	-7.7%	-6.4%
Units vs. 3YA	+0.3%	-0.2%	+5.9%	-2.1%	-2.7%	+4.4%
Volume Sales	41.1B	38.5B	2.6B	18.9B	17.6B	1.2B
Volume share	100.0%	93.7%	6.3%	100.0%	93.4%	6.6%
Volume vs. YA	-2.3%	-2.2%	-4.1%	-2.4%	-2.2%	-4.1%
Volume vs. 2YA	-5.3%	-5.4%	-4.1%	-7.1%	-7.1%	-6.7%
Volume vs. 3YA	-1.8%	-2.2%	-3.7%	-3.1%	-3.3%	+0.4%

Source: Circana, Integrated Fresh, Total US, 52 weeks ending 5/21/2023

Shoppers who purchase organic produce at much higher rates include:

- Millennials
- Households with children at home
- Living in urban areas
- Living in the West and Northeast

Source: FMI, Power of Produce 2023

Expected purchases of organic produce in the next year show that the strength and potential growth would come from current core consumers with few new households entering the organic space. That is a typical pattern seen during inflationary and recessionary times.

Organic produce predictions	All organic shoppers
Buy more in the next year	30%
Buy about the same	51%
Buy less in the next year	19%

Source: FMI, Power of Produce 2023

Organic Mushroom First Quarter Sales Findings

The performance for conventional and organic fresh mushrooms bucks the overall produce and vegetable trends. During the last 52 weeks, organic mushroom dollar sales increased by 2.7%, whereas conventional sales decreased 1.7%. It is important to note that retailers making assortment-related shifts can influence the subsequent performance numbers.

Fresh mushrooms — dollars	Latest 52 wks	\$ share	Vs. YA	Vs. 2YA	Vs. 3YA
Total	\$1.3 billion	100.0%	-1.1%	-8.1%	+2.8%
Conventional	\$1.1 billion	87.0%	-1.7%	-9.2%	+1.7%
Organic	\$167 million	13.0%	+2.7%	+0.4%	+11.2%

Source: Circana, Integrated Fresh, MULO, YTD and 52 weeks ending 5/21/2023

Volume patterns show the influence of inflation on organic mushrooms' positive dollar performance, with pounds down 7.9% versus a year ago, slightly higher than the -6.8% seen for conventional mushrooms.

Fresh mushrooms — pounds	Latest 52 wks	\$ share	Vs. YA	Vs. 2YA	Vs. 3YA
Total	273 million	100.0%	-6.9%	-16.6%	-8.2%
Conventional	246 million	90.1%	-6.8%	-16.8%	-8.7%
Organic	27 million	9.9%	-7.9%	-14.6%	-4.2%

Source: Circana, Integrated Fresh, MULO, YTD and 52 weeks ending 5/21/2023

Organic fresh mushroom unit sales were down less than their conventional counterparts. A comparison in movement between pounds and units over the past year shows that organic had a slightly higher decrease in pounds versus units — signaling a switch to smaller pack sizes, which could be the influence of specialty organic mushrooms, which are often sold in six or even four-ounce packages.

Fresh mushrooms — units	Latest 52 wks	\$ share	Vs. YA	Vs. 2YA	Vs. 3YA
Total	434 million	100.0%	-7.0%	-16.4%	-9.9%
Conventional	387 million	89.2%	-7.1%	-16.8%	-10.4%
Organic	47 million	10.8%	-6.1%	-12.6%	-5.4%

Source: Circana, Integrated Fresh, MULO, YTD and 52 weeks ending 5/21/2023

Organic Performance by Mushroom Type

Organic crimini mushrooms are the biggest seller, at \$63.0 million, followed by organic whites. Growth is seen for organic shiitake mushrooms, but this is on a relatively small base.

Organic mushrooms	Dollars L-52 w.e. 5/31/23	Vs. YA	Vs. 2YA	Vs. 3YA	Pounds L-52 w.e. 5/21/23	Vs. YA	Vs. 2YA	Vs. 3YA
Total	\$167 million	+2.7%	+0.4%	+11.2%	27.0 million	-7.9%	-14.6%	-4.2%
Crimini	\$63.0 million	+2.2%	-0.8%	+14.5%	10.8 million	-17.7%	-23.7%	-3.4%
White	\$60.9 million	+1.9%	-5.9%	-2.2%	12.3 million	+3.0%	-5.1%	-3.6%
Shiitake	\$19.1 million	+42.2%	+149.1%	+265.1%	1.1 million	+33.3%	+127.1%	+222.7%
Portabella	\$17.7 million	-11.8%	-23.6%	-22.2%	2.2 million	-18.2%	-32.7%	-34.3%

Source: Circana, Integrated Fresh, MULO, YTD and 52 weeks ending 5/21/2023

Organic Mushroom Regional Performance

Circana divides the nation into nine areas, that are quite different in size. To provide a benchmark for the size of each region, the first column shows the share of total vegetable dollars. In comparison to the share of total vegetable dollars, areas that over index for organic vegetable sales are California, the Northeast and the West.



When comparing the regional mushroom shares to the regional vegetable shares, areas with an above-average share are California, the Great Lakes and the West. Regions with an above average share of organic mushroom sales versus their overall mushroom share include California, the Great Lakes and the West. The large dollar increase in the southeastern region may point to an assortment switch from conventional to organic for one of the Southeastern retailers.

	Share of vegetable \$	Share of organic vegetable \$	Share of mushrooms	Share of organic mushrooms	Organic mushroom \$ growth
Total US	100.0%	100.0%	100.0%	100.0%	+2.7%
California	11.4%	▲ 14.3%	▲ 12.4%	▲ 15.8%	-2.2%
Great Lakes	13.2%	12.7%	▲ 15.1%	▲ 34.0%	-0.0%
Mid-South	13.2%	12.1%	11.9%	8.6%	+1.3%
Northeast	18.0%	▲ 19.6%	17.9%	10.1%	-1.6%
Plains	6.6%	4.3%	6.3%	2.4%	▲ +5.3%
South Central	9.1%	6.6%	7.3%	3.2%	▲ +5.3%
Southeast	15.6%	14.3%	13.6%	8.0%	▲ +36.0%
West	12.8%	▲ 16.1%	▲ 15.5%	▲ 17.9%	▲ +3.9%

Source: Circana, Integrated Fresh, 52 weeks ending 5/21/2023

- ▲ = Above-average share of organic vs. total and mushrooms vs. vegetables
- ▲ = Above-average growth performance

Conclusion

Unlike total produce and vegetables, organic mushroom dollar sales outperformed conventional in the past year. However, the unit and volume performances show the impact of inflation and there are substantial performance gaps by type and region. This signals growth opportunities are present, but market, mushroom type and audience dependent.

Helpful Hints

This information can be found in the quad-week retail tracker reports, using the organic sales tab. Information can be found for:

- Three time periods, including four, thirteen and 52 weeks.
- The various mushroom types, including aggregates for white, brown (the combination of crimini and portabellas) and exotics, which includes shiitake, oyster, etc. mushrooms.
- The total U.S., the nine Circana regions and the major markets.

Contact Anne-Marie Roerink, the Mushroom Council's retail channel contact, if you have further questions: aroerink@210analytics.com