

Fresh Mushroom Sales Review; 4 and 52 w.e. 6.18.2023

## **The Marketplace**

The price per unit across all food and beverages in the Circana-measured universe increased 6.9% versus year ago levels in May 2023, down from 11.4% in the first quarter of the year. However, when compared to May 2020, prices have increased by 23.3% and consumers continue to change up their food decisions to balance their budgets. Above all, they have increased their store trips to chase deals, while buying fewer units.

* In the produce department, the pullback on units has resulted in 1.4% fewer dollars per trip in May 2023 compared to year-ago levels. Product trips were up 1.2%.
* Traditional grocery represented 40.5% of produce dollars in May, down from 42.8% in 2020. Supercenter/ mass now represents 20.2%, up from 17.4% in 2022. Other channels up from their 2022 shares are clubs and online. Specialty grocery stores have dropped from 4.8% to 3.7% of total produce dollars.
* In produce, both vegetables and fruit trended right around year ago levels in May in terms of units. With deflationary conditions in fruit that meant fruit dollars decreased 3.1% versus year ago levels, whereas vegetables increased by 2.0% on mild inflation.
* Per the May Circana survey of primary grocery shoppers, inflation is affecting the summer travel plans of many resulting in fewer/shorter trips and staycations.
* 67% of consumers plan cookouts/barbeque gatherings.
* Across entertaining, everyday and weekend occasions, 50% of consumers plan to grill as much as last summer and 19% plan to grill more. New recipes inspire 34% of consumers to grill more.

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

For the four weeks ending June 18th 2023, total food and beverage dollar sales increased 3.6% over the quad-week period, but units were down 2.9%. Fresh produce dollar sales were up slightly (+1.1%) and fresh mushroom sales were down 2.4% 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 6.4%.

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| Fresh mushrooms | 4 weeks ending 6/18/2023 | Vs. 2022 | Vs. 2020 | Latest 52 w.e. 6/18/2023 | Vs. 2022 | Vs. 2020 | |
| Dollars | $93.2 million | -2.4% | -15.0% | $1.3 billion | -1.1% | | +0.7% |
| Units | 31.4 million | -3.6% | -23.4% | 432.4 million | -6.5% | | -11.5% |
| Volume (pounds) | 19.8 million | -3.0% | -23.3% | 272.4 million | -6.4% | | -10.0% |

Source: Circana, Integrated Fresh, MULO, YTD and 4 weeks ending 6/18/2023

Weekly sales for mushrooms averaged between $22.9 million and $23.7 million in each of the four weeks. Sales were slightly higher the week of Memorial Day and the week of Father’s Day, at $23.7 million each — demonstrating that special occasions and holidays still drive slightly higher spending across categories, including mushrooms. The period-over-period sales trends continue to follow long-established patterns (as seen on the forecasting tab). During the summer months, sales tend to decrease quad week over quad-week period, and pounds start to gear back up after the back-to-school season.

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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. 6/18/2023 | **$93.2M** | **-2.4%** | **-15.0%** | **20.4M** | **-3.0%** | **-23.3%** |
| w.e. 5/28/2023 | $23.7M | -2.3% | -14.0% | 5.2M | -3.4% | -21.8% |
| w.e. 6/4/2023 | $23.0M | -3.6% | -16.1% | 5.1M | -3.5% | -23.3% |
| w.e. 6/11/2023 | $22.9M | -2.2% | -15.4% | 5.0M | -2.8% | -24.3% |
| w.e. 6/18/2023 | $23.7M | -1.5% | -14.4% | 5.1M | -2.5% | -23.7% |

Source: Circana, Integrated Fresh, MULO, 4 weeks ending 6/18/2023

## **Inflation**

Inflation in vegetables is moderating and mushrooms are following suit. Mushroom prices per unit increased by 1.2% versus year ago in the latest quad-week period. This is down from 5.8% in the 52-week view.

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| Fresh mushrooms | 4 w.e. 6/18/2023 | | Vs. 2022 | Vs. 2020 | Latest 52 w.e. 6/18/2023 | Vs. 2022 | Vs. 2020 |
| Price/unit | | $2.97 | +1.2% | +11.0% | $2.95 | +5.8% | +13.7% |
| Price/volume | | $4.71 | +0.6% | +10.9% | $4.69 | +5.6% | +11.9% |

Moderation in price increases goes hand-in-hand with an increase in promotional activity. During the latest quad-week period 18.8% 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. 6/18/2023 | | Vs. 2022 | Latest 52 w.e. 6/18/2023 | Vs. 2022 |
| Share of dollars sold on promotion | | 18.8% | +34.0% | 16.5% | +13.5% |

Source: Circana, Integrated Fresh, MULO, YTD and 4 weeks ending 6/18/2023

## **Performance by segment**

White mushrooms represented 52.3% of mushroom dollars and 59.4% of pounds in the four-week period. Brown mushrooms, the combination of criminis and portabellas, fared better than white mushrooms, with flat dollar sales versus year ago levels in both dollars and pounds.

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| **4 weeks ending 6/18/2023** | **Dollars** | **Dollar share** | **$ sales vs. 2022** | **$ sales vs. 2020** | **Volume (lbs)** | **Lbs**  **share** | **Lbs  vs. 2022** | **Lbs vs. 2020** |
| **Total fresh mushrooms** | **$93.2M** | **100.0%** | **-2.4%** | **-15.0%** | **19.8M** | **100.0%** | **-3.0%** | **-23.3%** |
| White mushrooms | $48.7M | 52.3% | -5.0% | -19.5% | 11.8M | 59.4% | -5.3% | -26.4% |
| Brown mushrooms | $39.4M | 42.3% | -0.0% | -9.7% | 1.7M | 38.8% | +0.4% | -18.3% |
| Specialty mushrooms | $5.1M | 5.4% | +5.3% | -5.9% | 0.4M | 1.9% | +4.1% | -15.9% |

Source: Circana, Integrated Fresh, MULO, 4 weeks ending 6/18/2023

## **Additional observations:**

* Package size: 8-ounce packages generated 49.6% of total sales in the four-week period, but dollar sales declined 4.5% versus the same four weeks in 2022. 16-ounce packages represented 23.3% of sales and declined 1.0% in dollars, while also showing a better-than-average unit and volume performance.
* Organic vs. conventional: Organic mushrooms made up 9.9% of pounds and have been an above-average performer. Dollar sales increased 3.0% along with unit growth of 0.7%.

Source: Circana, Integrated Fresh, MULO, 4 weeks ending 6/18/2023