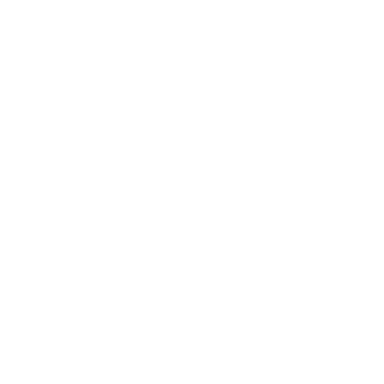
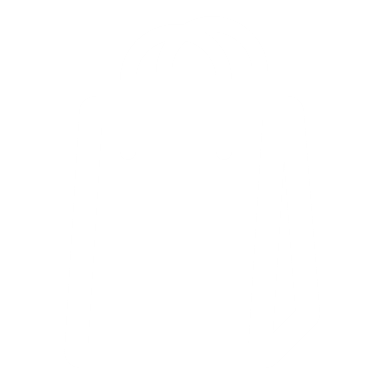


Fresh Mushroom Sales Review; 4 and 52 w.e. 12.3.2023

## **The Marketplace**

The University of Michigan Consumer Confidence Index had its fourth consecutive decline as consumers remain worried over their household finances. Consumer confidence is one of the key indicators to help forecast the future strength of the U.S. economy and consumer spending along with it. Kansas State University found similar marketplace sentiment in their November tracker study. Only 15% of consumers consider their household finances better than last year, leading to an ongoing emphasis on price in the purchase decision.

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As the nation’s eye remains on money-saving measures, fresh produce experienced an increase in the number of times shoppers purchased fresh fruit or vegetables, but they spent the same amount as last year due to purchasing fewer or smaller items. November 2023 fresh produce sales reached $5.6 billion and volume was only a fraction between November 2022 levels, at -0.5%. As such, the fresh produce department had far better results than the total store and the total fresh perimeter.

**Produce department dollars/ buyer**

$53.00, +0.1% versus year ago

**Produce department trips/buyer**

6.3 trips, +0.4% versus year ago

**Produce department dollars/trip**

$8.50, -0.3% versus year ago

Source: Circana, Integrated Fresh, Household Panel, 4 w.e. 11/5/23

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

Fresh mushroom sales patterns were similar in the quad-week period, with unit and volume declines during the shorter and longer time periods. In the latest four weeks, volume declines stayed around 5 points of year ago levels. The volume declines intensified somewhat in comparison with the 52-week look that shows pounds down 4.7%.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Fresh mushrooms | 4 weeks ending 12/3/2023 | Vs. 2022 | Vs. 2020 | Latest 52 w.e. 12/3/2023 | Vs. 2022 | Vs. 2020 |
| Dollars | $99.8 million | -4.6% | -9.0% | $1.3 billion | -2.8% | -9.0% |
| Units | 32.8 million | -5.3% | -18.7% | 424.0 million | -5.1% | -18.6% |
| Volume (pounds) | 21.1 million | -4.9% | -18.1% | 267.6 million | -4.7% | -17.8% |

Source: Circana, Integrated Fresh, MULO, YTD and 4 weeks ending 12/3/2023

Importantly, long-term patterns showed the typical seasonal turnaround in period-over-prior-period volume sales. Quad week 12, which includes Thanksgiving week, traditionally shows the strongest upswing over the prior quad-week sales levels. This year, volume increased by 8.4% over quad week 11 — in line with prior years and a mere 200K off from the forecast. (see forecast tab in the data spreadsheet).

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Pound growth rates **versus PRIOR PERIOD** | Quad week 1 | Quad week 2 | Quad week 3 | Quad week 4 | Quad week 5 | Quad week 6 | Quad week 7 | Quad week 8 | Quad week 9 | Quad week 10 | Quad week 11 | Quad week 12 | Quad week 13 |
| 2017 |  | -1.5% | -2.6% | -1.8% | -3.2% | -3.5% | -1.6% | -0.5% | 1.0% | 1.5% | 1.4% | 7.9% | 7.3% |
| 2018 | -1.0% | -3.3% | -0.9% | -3.2% | -1.9% | -3.8% | -3.4% | -2.0% | 2.9% | 1.7% | 0.4% | 9.4% | 4.1% |
| 2019 | 1.9% | -5.9% | -2.7% | -1.5% | -2.9% | -4.0% | -2.6% | -0.6% | 1.7% | 1.1% | 1.5% | 9.0% | 4.9% |
| 2020 | 1.4% | -2.8% | 13.6% | 4.4% | 0.9% | -7.7% | -4.7% | -2.3% | -0.2% | 0.5% | 0.2% | 6.1% | 4.6% |
| 2021 | 2.5% | -4.6% | -5.1% | -1.3% | -4.6% | -2.7% | -4.8% | -2.4% | 2.6% | -0.1% | 0.2% | 7.3% | 3.3% |
| 2022 | 2.5% | -5.2% | -2.3% | -3.9% | -3.2% | -4.2% | -2.7% | -2.0% | 1.2% | 1.2% | 3.2% | 7.9% | 2.5% |
| 2023 | 0.5% | -4.2% | -1.2% | -2.2% | -2.2% | -4.3% | -2.8% | -2.7% | 0.3% | 2.3% | 1.4% | 8.4% |  |

Source: Circana, Integrated Fresh, MULO, quad weeks 2017-2023

Thanksgiving week and Christmas week are the biggest sales weeks of the year. Dividing the volume sales of each of the holiday weeks by the average week, results in an index of 118 and 138. This is an important merchandising clue to keep mushrooms front and center during those holiday weeks.

## **Inflation**

Inflation across total food and beverages is slowing down and mushrooms are following suit. Mushroom prices per unit increased by 0.7% versus year ago in the latest quad-week period. This is down from +2.4% in the 52-week view.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Fresh mushrooms | 4 w.e. 12/3/2023 | | Vs. 2022 | Vs. 2020 | Latest 52 w.e. 12/3/2023 | Vs. 2022 | Vs. 2020 |
| Price/unit | | $3.04 | +0.7% | +12.0% | $2.96 | +2.4% | +11.8% |
| Price/volume | | $4.73 | +0.3% | +11.2% | $4.68 | +2.0% | +10.7% |

Moderation in price increases went hand-in-hand with an increase in promotional activity. During the latest quad-week period 18.2% of total fresh mushroom dollars sold while on promotion, which was up 16.1%.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Fresh mushrooms | 4 w.e. 12/3/2023 | | Vs. 2022 | Latest 52 w.e. 12/3/2023 | Vs. 2022 |
| Share of dollars sold on promotion | | 18.2% | +16.1% | 17.8% | +19.8% |

Source: Circana, Integrated Fresh, MULO, YTD and 4 weeks ending 12/3/2023

## **Performance by segment**

White mushrooms represented 52.5% of mushroom dollars and 58.7% of pounds in the four-week period. Brown mushrooms, the combination of criminis and portabellas had a better performance than white.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **4 weeks ending 12/3/2023** | **Dollars** | **Dollar share** | **$ sales vs. 2022** | **$ sales vs. 2020** | **Volume (lbs)** | **Lbs**  **share** | **Lbs  vs. 2022** | **Lbs vs. 2020** |
| **Total fresh mushrooms** | **$99.8M** | **100.0%** | **-4.6%** | **-9.0%** | **21.1M** | **100.0%** | **-4.9%** | **-18.1%** |
| White mushrooms | $52.3M | 52.5% | -5.3% | -12.2% | 12.4M | 58.7% | -7.6% | -21.9% |
| Brown mushrooms | $41.5M | 41.6% | -3.3% | -3.5% | 8.3M | 39.2% | -0.5% | -11.4% |
| Specialty mushrooms | $6.0M | 6.0% | -7.2% | -15.2% | 0.4M | 2.1% | -4.8% | -21.8% |

Source: Circana, Integrated Fresh, MULO, 4 weeks ending 12/3/2023

## **Additional observations:**

* Package size: 8-ounce packages generated 51.0% of total sales in the four-week period and performed better than 16-ounce packages.
* Organic vs. conventional: Organic mushrooms made up 10.2% of pounds and have been an above-average performer for months. Over the past 52 weeks, pound sales increased 1.1% for organic mushrooms.
* Whole vs. sliced/diced: whole mushrooms are outperforming sliced/cut/diced with volume growth of -2.1% for no preparation and -8.2% for cut/sliced, which reflects 45.2% of pound sales.

Source: Circana, Integrated Fresh, MULO, 4 or 52 weeks ending 12/3/2023