

Fresh Mushroom Sales Review; 4 and 52 w.e. 2.25.2024

# **February in Review**

After three months of gains, the February consumer confidence index by the University of Michigan decreased to 76.9. Most index readings did remain substantially higher than those reported last fall as consumers remained somewhat optimistic about inflation continuing on a more favorable trajectory.

February counted several large sales events that provided additional touchpoints. Per the Circana survey:

* In early February, 56% of consumers expected they would watch the Super Bowl. Only 2% anticipated going to a bar or restaurant to watch the game. Among those watching the game at home, the anticipated retail spend averaged $36 on game-time snacks, beverages and food.
* A similar number anticipated celebrating Valentine’s Day this year, which also remained a more home-centric holiday compared with pre-pandemic times. Shopping patterns have largely shifted back to the week in advance of the holiday.
* February restaurant engagement was down from January, with 73% of consumers having dined at restaurants or ordered takeout or delivery. The drop in restaurant visits came hand-in-hand with an increase in the estimated share of home-cooked meals as a percentage of all meals, at 79.1%.

**Important Data Notice**

Circana has expanded the Multi-Outlet universe to include additional retailers that were previously not represented nor projected. This includes ALDI and eight regional retailers. This expanded universe is used as of this February report for the quad-week updates. The upgrade fueled a substantial uptick in sales, especially in white and brown mushrooms. All time period history and geographies have been updated.

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

January and the 52-week period show dollar sales within 4 percentage points of year-ago levels.

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| Fresh mushrooms | 4 weeks ending 2/25/2024 | | Vs. 2023 | Vs. 2021 | Latest 52 w.e. 2/25/2024 | Vs. 2023 | Vs. 2021 |
| Dollars | $107.4 million | -4.0% | | -10.5% | $1.3 billion | -2.8% | -11.4% |
| Units | 38.0 million | -3.4% | | -17.8% | 447.9 million | -2.8% | -18.9% |
| Volume (pounds) | 23.2 million | -4.0% | | -18.8% | 293.5 million | -3.0% | -19.3% |

Source: Circana, Integrated Fresh, MULO, YTD and 4 weeks ending 2/25/2024

Prior year sales patterns comparing the quad-week to the prior quad-week held. In quad-week two, sales decreased 3.7% over quad-week 1 of 2024 — almost the same decrease as last year (see forecasting tab).

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| **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** | 6.6% | -4.4% | -2.9% | -1.1% | -2.9% | -3.1% | -3.9% | -2.4% | 3.4% | 0.9% | 0.4% | 8.1% | 4.6% |
| 2020 | 4.0% | -2.5% | 12.1% | 4.2% | 1.8% | -8.3% | -4.1% | -2.8% | -0.5% | 0.3% | 2.5% | 4.2% | 4.2% |
| 2021 | 5.4% | -5.9% | -4.8% | -0.6% | -4.3% | -3.3% | -5.7% | -1.0% | 2.1% | -0.7% | 1.8% | 4.8% | 2.8% |
| 2022 | 3.4% | -4.9% | -2.4% | -3.0% | -2.9% | -4.4% | -3.4% | -1.1% | 0.9% | 0.5% | 4.0% | 6.6% | 1.6% |
| 2023 | 2.7% | -3.9% | -2.0% | -0.9% | -2.2% | -3.9% | -3.8% | -1.8% | 0.6% | 1.9% | 2.3% | 8.0% | 0.2% |
| 2024 | 1.9% | -3.7% |  |  |  |  |  |  |  |  |  |  |  |

Source: Circana, Integrated Fresh, MULO, quad weeks 2017-2024

## **Inflation**

Inflation across total food and beverages is slowing down and mushrooms are following suit. Mushroom prices per unit decreased by 0.7% versus year ago in the latest quad-week period. Prices per volume were flat.

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| Fresh mushrooms | 4 w.e. 2/25/2024 | | Vs. 2023 | Vs. 2021 | Latest 52 w.e. 2/25/2024 | Vs. 2023 | Vs. 2021 |
| Price/unit | | $2.83 | -0.7% | +8.9% | $2.81 | +0.0% | +9.2% |
| Price/volume | | $4.62 | +0.0% | +10.3% | $4.57 | +0.2% | +9.7% |

Moderation in price increases went hand-in-hand with greater promotional activity. During the latest quad-week period 18.0% of total fresh mushroom dollars sold while on promotion. This was up 10.6%.

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| Fresh mushrooms | 4 w.e. 2/25/2024 | | Vs. 2023 | Latest 52 w.e. 2/25/2024 | Vs. 2023 |
| Share of dollars sold on promotion | | 18.0% | +10.6% | 19.3% | +18.3% |

Source: Circana, Integrated Fresh, MULO, YTD and 4 weeks ending 2/25/2024

## **Performance by segment**

White mushrooms represented 51.4% of mushroom dollars and 57.4% of pounds in the four-week period. Brown mushrooms, the combination of criminis and portabellas, had a better performance. After a good first half of 2023, specialty sales are tracking below year ago levels.

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| **4 weeks ending 2/25/2024** | **Dollars** | **Dollar share** | **$ sales vs. 2023** | **$ sales vs. 2021** | **Volume (lbs)** | **Lbs**  **share** | **Lbs  vs. 2023** | **Lbs vs. 2021** |
| **Total fresh mushrooms** | **$107.4M** | **100.0%** | **-4.0%** | **-4.8%** | **23.2M** | **100.0%** | **-4.0%** | **-9.2%** |
| White mushrooms | $55.2M | 51.4% | -5.7% | -8.0% | 13.3M | 57.4% | -7.3% | -13.5% |
| Brown mushrooms | $46.6M | 43.3% | -1.5% | +0.0% | 9.5M | 40.8% | +1.0% | -2.5% |
| Specialty mushrooms | $5.7M | 5.3% | -7.6% | -9.5% | 0.4M | 1.8% | -3.6% | -7.8% |

Source: Circana, Integrated Fresh, MULO, 4 weeks ending 2/25/2024

## **Crimini (Baby Bella) mushrooms**

The growth of crimini mushrooms continued over the past year.

* Crimini mushrooms represent 33.6% of dollars in the latest 52 weeks.
* With 52-week sales of $450.4 million, crimini mushroom sales increased 1.2% over year-ago levels and 7.2% when compared to two years ago.
* Unit sales (packages sold) reached 142.4 million in the latest 52 weeks, up 1.2% versus year ago.
* Volume sales reached 92.8 million pounds, which was up 1.5% versus last year.

## **Additional observations:**

* Package size: 8-ounce packages generated 55.5% of total sales in the four-week period and dollar sales were down 2.5%. 16-ounce packages are the next largest seller, but were down 11.3%.
  + 24-ounce packages (third-largest seller in the quad-week period, had flat sales (2.0% vs. YA)
  + 10 and 12-ounce packages, though smaller sellers, had robust dollar gains, at +6.8% and +14.2%.
* Organic vs. conventional: Organic mushrooms made up 9.4% of pounds, but sales fell below year ago levels after tracking ahead. Over the past 52 weeks, pound sales decreased 0.4% for organic mushrooms.
* Whole vs. sliced/diced: whole mushrooms are outperforming sliced/cut/diced with a volume change of -2.7% for no preparation and -5.4% for cut/sliced mushrooms, which reflect 48.0% of pound sales.

Source: Circana, Integrated Fresh, MULO, 4 or 52 weeks ending 2/25/2024