

Fresh Mushroom Sales Review; 4 and 52 w.e. 3.24.2024

# **March in Review**

The March Consumer Price Index reflected the ongoing rise of inflation in foodservice. Restaurant price increases have been outpacing broader inflation for quite a while now.

* The March food-away-from-home inflation was up 0.3% from the previous month and 4.2% versus March 2023. Grocery prices increased by 1.2% in contrast. The USDA released its forecast for 2024 which shows more of the same, with above-average inflation for food-away-at-home.
* A survey by the National Restaurant Association predicts further headwinds for foodservice. More than half of respondents said same-store sales were down year-on-year. This time last year, only 17% noted a decrease in same-store sales.
* While a home-centric environment, retail sales continue to be challenged by consumers’ money-saving measures, led by looking for sales promotions and sticking to the list. As a result, unit and volume sales continue to be down year-over-year for many departments. Produce is a rare exception.

**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 the 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 about 4 percentage points of year-ago levels.

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| Fresh mushrooms | 4 weeks ending 3/24/2024 | | Vs. 2023 | Vs. 2021 | Latest 52 w.e. 3/24/2024 | Vs. 2023 | Vs. 2021 |
| Dollars | $104.4 million | -4.4% | | -8.3% | $1.4 billion | -3.1% | -11.3% |
| Units | 37.4 million | -3.4% | | -14.9% | 527.7 million | -9.5% | -18.6% |
| Volume (pounds) | 22.9 million | -3.8% | | -16.1% | 293.2 million | -2.9% | -19.1% |

Source: Circana, Integrated Fresh, MULO, YTD and 4 weeks ending 3/24/2024

Prior year sales patterns comparing the quad-week to the prior quad-week held. In quad-week three, sales decreased 1.6% over quad-week 2 of 2024 — similar to the 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% | -1.6% |  |  |  |  |  |  |  |  |  |  |

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 decreased year-over year, both on a per unit and per pound basis.

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| Fresh mushrooms | 4 w.e. 3/24/2024 | | Vs. 2023 | Vs. 2021 | Latest 52 w.e. 3/24/2024 | Vs. 2023 | Vs. 2021 |
| Price/unit | | $2.79 | -1.1% | +7.8% | $2.81 | -0.4% | +8.9% |
| Price/volume | | $4.56 | -0.7% | +9.3% | $4.57 | -0.2% | +9.6% |

Moderation in price increases went hand-in-hand with greater promotional activity. During the latest quad-week period 20.1% of total fresh mushroom dollars sold while on promotion. This was up 12.6%.

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| Fresh mushrooms | 4 w.e. 3/24/2024 | | Vs. 2023 | Latest 52 w.e. 3/24/2024 | Vs. 2023 |
| Share of dollars sold on promotion | | 20.1% | +12.6% | 19.6% | +19.3% |

Source: Circana, Integrated Fresh, MULO, YTD and 4 weeks ending 3/24/2024

## **Performance by segment**

White mushrooms represented 52.3% of mushroom dollars and 58.6% of pounds in the four-week period. Crimini mushrooms are the next largest seller. Portabella mushrooms are the only ones showing a gain in pounds, at +0.5% over year ago levels. Crimini mushrooms also have a better year-on-year volume performance in comparison to white mushrooms.

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| **4 weeks ending 3/24/2024** | **Dollars** | **Dollar share** | **$ sales vs. 2023** | **$ sales vs. 2021** | **Volume (lbs)** | **Lbs**  **share** | **Lbs  vs. 2023** | **Lbs vs. 2021** |
| **Total fresh mushrooms** | $104.4M | 100.0% | -4.4% | -8.3% | 22.9M | 100.0% | -3.8% | -16.1% |
| White mushrooms | $54.6M | 52.3% | -4.2% | -10.9% | 13.4M | 58.6% | -5.3% | -19.6% |
| Crimini mushrooms | $35.5M | 34.0% | -3.7% | +4.8% | 7.4M | 32.3% | -1.7% | -4.6% |
| Portabella mushrooms | $9.0M | 8.6% | -4.6% | -26.0% | 1.7M | 7.4% | +0.5% | -27.0% |
| Specialty mushrooms | $5.3M | 5.1% | -10.9% | -18.9% | 392,123 | 1.7% | -8.1% | -26.1% |

Source: Circana, Integrated Fresh, MULO, 4 weeks ending 3/24/2024

## **Additional observations:**

* Package size: 8-ounce packages generated 56.1% of total sales in the four-week period and dollar sales were down 2.6%. 16-ounce packages are the next largest seller, at 16.7% of dollar sales, but sales were down by 10.4% year-on year.
* Organic vs. conventional: Organic mushrooms made up 9.4% of pounds, but sales fell below year ago levels by 4.2%. Units were down as well, but pounds were up 5.1%
* Whole vs. sliced/diced: whole mushrooms are outperforming sliced/cut/diced with a volume change of -1.5% for no preparation and -6.1% for cut/sliced mushrooms, which reflect 48.0% of pound sales.

Source: Circana, Integrated Fresh, MULO, 4 or 52 weeks ending 3/24/2024