

The Mushroom Marketplace

Unearthing the Possibilities with Nature's Hidden Treasure

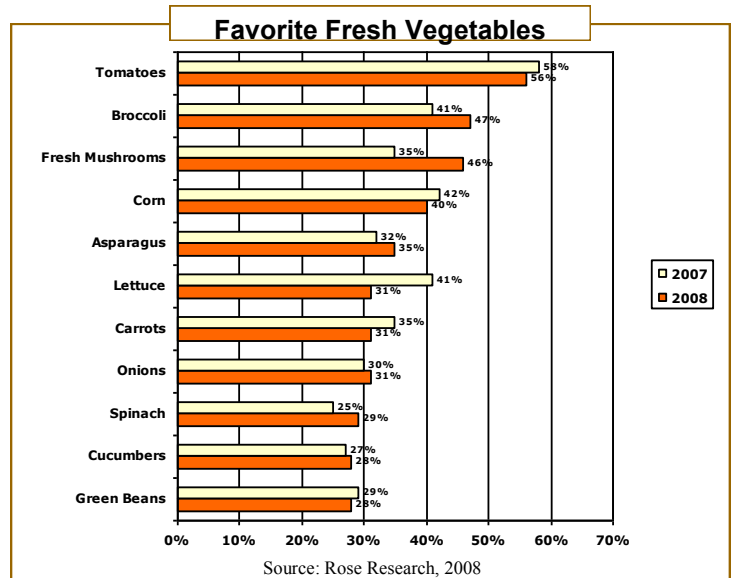


Fresh Mushrooms: A Produce Section Powerhouse

Did you know that fresh mushrooms are among the most popular items in your store's produce section? A May 2008 study by Rose Research found that **fresh mushrooms ranked third (46%)** after fresh tomatoes (56%) and fresh broccoli (47%) when consumers were asked to name their three favorite fresh vegetables.

So, what does this mean for produce managers? With the right product handling and merchandising, fresh mushrooms can be a powerhouse seller in your produce section.

A recent retail store test in an upstate New York location, reported by Willard Bishop in February 2008, offers insight into the power of merchandizing your fresh mushrooms. In this test, sliced white button mushrooms were paired with fresh bagged salads in six stores while the same bagged salads were merchandised without mushrooms in six control stores. **The result was an 11% lift in fresh mushroom sales** when fresh sliced white button mushrooms were featured in a secondary produce department location.



In the same study, leading supermarket category managers underscored the importance of fresh produce and fresh mushrooms to the overall success of their entire store. Indeed, when asked to list three produce items that were “**showcase categories,**” **category managers listed berries (50%), tomatoes (43.3%) and mushrooms (26.7%).** In other words, these items affect consumer perceptions of the entire store.

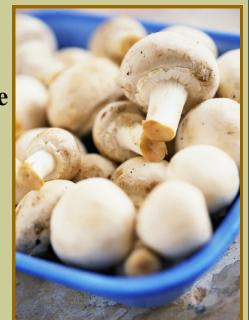
“Produce is a point of differentiation and the lead into fresh,” said one manager. Another manager said, “We differentiate ourselves by winning on fresh.” For more information on the proper handling of fresh mushrooms, visit www.mushroominfo.com/retail.

Quality Lead Motivator in Buying Mushrooms

Recent studies indicate product quality is the leading factor that entices consumers to purchase more mushrooms. In a 2008 Rose Research survey, 43% of respondents indicated that they would be more likely to purchase mushrooms “if they didn't spoil so fast.”

There is good news with these findings—with proper cold chain management of fresh mushrooms, **produce managers can extend the life of fresh mushrooms both in-store and after purchase.** You may be surprised at the sales impact from some basic employee education on the handling and merchandising of fresh mushrooms. Demand for mushrooms improved by 18% in stores that incorporated best practice education in care and culling, according to the 2008 Willard Bishop study.

Another interesting finding of the Rose Research study—24% of respondents indicated that they would be enticed to buy more mushrooms if they “knew more about their health benefits.” Through the recent partnership with Weight Watchers, the Mushroom Council is helping consumers understand the **significant health benefits of eating fresh mushrooms.** For more information about these partnerships programs and on extending the shelf life of your fresh mushrooms, visit www.mushroominfo.com/retail.



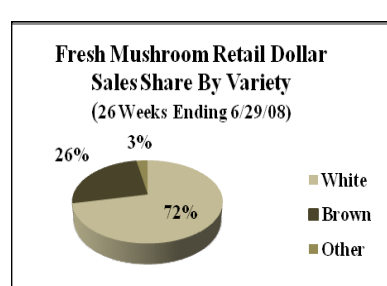
Proper cold chain management can extend the shelf life of fresh mushrooms.

IRI Data Confirms Fresh Mushroom Sales Growth Through First 26 Weeks

Recently released retail sales data from Fresh Look Marketing confirms fresh mushroom retail dollar sales continued to grow in **2008—up 3.9% for the 13 weeks ending August 24, 2008** over the same period in 2007. In fact, fresh mushroom sales have increased every audit period in 2008 with the first half results beating the first quarter sales growth of 2.4%. Aiding the first half sales performance was a steady period for fresh mushroom retail prices. **Prices averaged \$4.13 per pound—a decrease from \$4.17 per pound for the first 13 weeks of 2008.**

In an economy where the most traditionally popular produce items are struggling, mushrooms have demonstrated consistent strength in tonnage, as reflected in retail sales reports from May and August 2008. Mushrooms were only one of a handful of produce items to record **positive pound increases over the last two consecutive** retail sales reports ending in May and August 2008. This figure is even more extraordinary when one considers that bagged salads, a historically profitable produce item, have experienced a first-ever decline over the past two quarters.

	Total U.S. Food Stores Produce Department 13Week Sales Ending 08/24/08 vs YAGO					
	Dollars		Pounds		Price / LB	
	RANK / SALES		RANK / SALES		RANK	CURR / DIFE
TOTAL PRODUCE	10,290,855,804	4.7	6,707,294,873	(3.8)	1.53	0.12
BERRIES	1 980,400,625	-11.2	4 338,781,736	-6.4	41	2.84 -0.14
MELONS	2 798,169,859	1.9	2 964,806,438	(5.0)	115	0.83 0.08
TOMATOES	3 697,402,057	5.1	8 286,240,748	(12.3)	51	2.44 0.41
BANANAS	4 623,079,395	23.1	1 905,294,382	0.9	119	0.65 0.12
BAGGED SALAD	5 608,397,930	(12.9)	13 154,497,390	(19.0)	21	3.94 0.28
GRAPES	6 600,828,540	(1.1)	5 335,605,510	(9.2)	79	1.79 -0.15
APPLES	7 549,982,134	10.1	6 300,402,840	(8.3)	78	1.83 0.30
POTATO	8 528,826,826	20.1	3 661,899,997	(2.8)	117	0.80 0.15
CHEERRIES	9 475,836,619	(12.3)	16 122,414,161	(29.1)	22	3.89 0.75
ONIONS	10 341,742,320	(8.9)	7 291,132,017	(2.2)	107	1.17 (0.09)
LETTUCE	11 307,601,440	3.4	9 191,339,729	(1.8)	90	1.61 -0.08
PEPPERS	12 293,796,196	13.1	14 126,724,079	(6.3)	55	2.32 0.40
PEACHES	13 285,197,098	3.6	11 172,204,340	1.4	88	1.66 0.04
CARROTS	14 230,606,661	2.6	12 166,882,248	0.5	99	1.38 0.03
NECTARINES	15 203,571,632	4.1	17 116,378,908	(1.8)	83	1.75 0.10
AVOCADOS	16 198,977,469	11.7	22 72,630,179	1.0	43	2.73 -0.26
CORN	17 193,836,830	4.5	10 194,369,695	(13.2)	111	1.05 0.18
MUSHROOMS	18 171,577,919	3.9	27 42,487,241	1.6	20	4.04 0.09
ORANGES	19 156,603,960	28.5	15 123,722,066	39.6	102	1.28 (0.11)
CUCUMBER	20 152,673,188	9.9	18 107,608,742	2.1	98	1.42 0.10



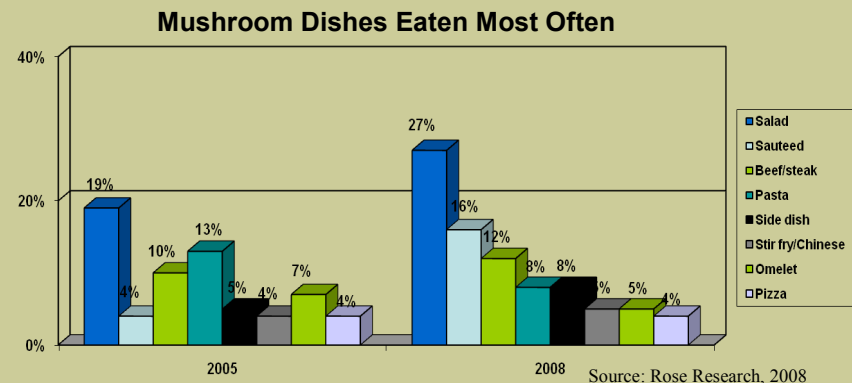
Fresh mushroom sales growth improved across all but one of the Information Resources Inc. (IRI) regions with the **Pacific Northwest showing the largest increase at 6.7% for the 26 week period followed by the North East region that grew 5.1%** versus the same period in 2007. The Plains region that had been down -2.9% for the first 13-weeks rebounded to a +0.7% increase in dollar sales for the first 26 weeks versus 2007.

White mushrooms continued to account for the majority of first-half retail dollar sales with a 71.6% share. Sliced mushrooms also represented over half of first-half dollar sales accounting for 55.6%. **Sliced brown mushrooms increased 13.6% for the first 26 weeks of 2008 while whole brown mushrooms were up 7.2%** for the same period versus the previous year.

Salads, Sautés and Sides: The Many Consumer Uses of Mushrooms

Data collected on consumer use of fresh mushrooms has found that consumers continue to discover versatile ways to incorporate mushrooms into their meals.

The latest data from a 2008 study shows that 27% of respondents most often eat mushrooms as part of a salad. This is a rise of 8% from the figures of just three years ago. This presents a distinct opportunity for co-merchandising between mushrooms and bagged salads, which has proven to be highly effective through in-store trials (see the earlier article, “Fresh Mushrooms: A Produce Section Powerhouse”).



Perhaps most interestingly, more consumers are sautéing mushrooms than in previous years. A 2005 Rose Research study showed only 4% of consumers most often consumed sautéed mushrooms. That figure rose to 16% in the 2008 study, coming in only second to salads. The only two mushroom dishes that declined in commonality between 2005 and 2008 were pasta and omelets.



The Mushroom Marketplace is a publication of the Mushroom Council for professionals in the grocery industry.

For more information call 408-432-7210 or visit www.mushroominfo.com/retail