

# linmax

SHARING **FRESH DELIGHT** SINCE 1979



## The Mushroom Market in 2022







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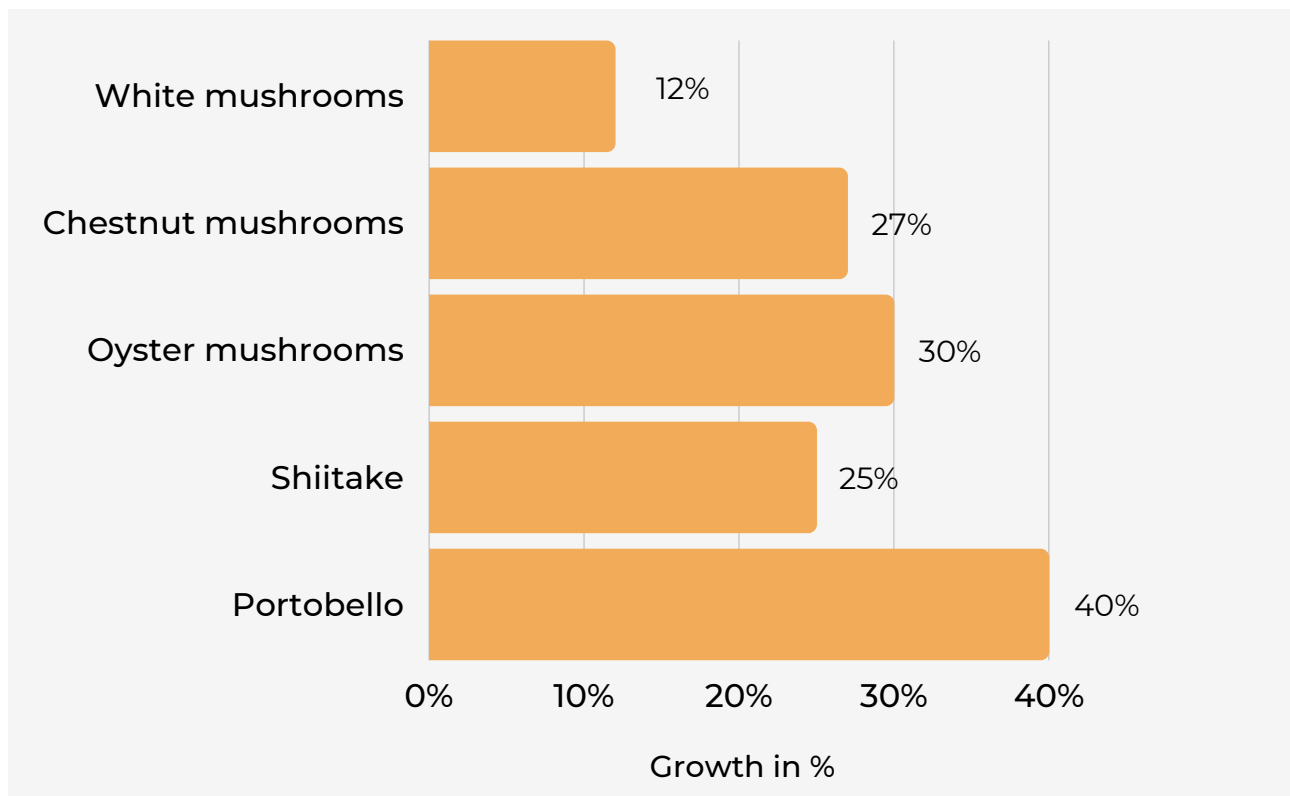
## **The mushroom market in 2022**

*The European mushroom market is growing. The white mushroom is a staple in the fresh produce aisle and so is the chestnut mushroom. The time has also come for the exotic mushrooms to take their place on the European plate.*



## Demand for mushrooms is growing

From 2020 to 2021 the demand for mushrooms in the Netherlands increased, according to market research agency IRI.



The increase in demand can be explained by current food trends such as less sugar, less salt, less meat and a growing interest in healthy foods. In addition, mushrooms fit in with trends such as cooking with local products, convenience food, sustainability and eating meat substitutes.



## **(Exotic) mushroom varieties on the rise**

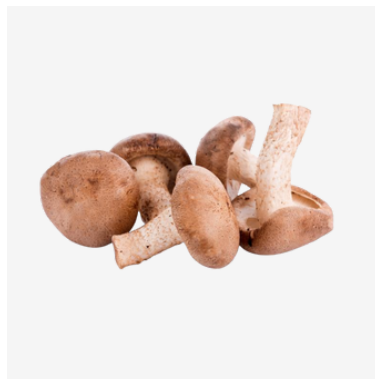
It is not only the demand for white mushrooms and chestnut mushrooms that is growing. An increase in demand is also expected for the various exotic varieties in the coming year, now that the mushroom has become staple in the diet of the modern consumer.

European consumers have discovered that by cooking with mushrooms you can add flavor and texture to (meatless) dishes. This gives opportunities to producers and retailers. The challenge for exotic mushrooms in 2022 lies in the fact that these varieties are often still fairly unknown to the average consumer. The solution to this may lie in a collaboration between producer and retailer to increase awareness of these varieties.

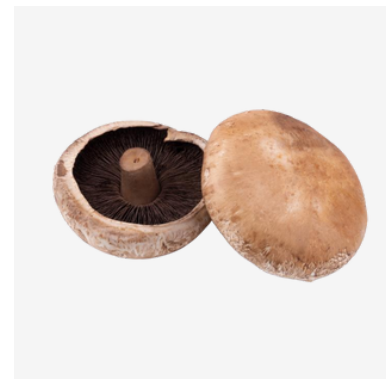
Exotic mushrooms that have been doing well on the European market for quite some time now are the oyster mushroom, shiitake and the portobello. These have been fairly well known to European consumers for some time now and are being sold more and more. It is expected that this trend will continue for these three exotic varieties in 2022.



**Oyster**



**Shiitake**



**Portobello**

## The sustainable mushroom

It is not only food trends that contribute to the growing demand for mushrooms. Because of the way they are grown, mushrooms fit in with trends related to sustainability.

Mushrooms like the oyster mushroom, shiitake and portobello may be exotic varieties, they can be grown locally like any other mushroom. Also, cultivation requires relatively little water and space, and mushrooms do not require crop protection products. The cultivation is often on wood waste, straw and manure. For these reasons, cultivation is not harmful to nature and even contributes to a circular economy.

### Sustainable cultivation:

- Little water and space required
- No crop protection products
- Use of wood waste, straw and manure



## Mushroom trends in 2022

In the European mushroom market, we see the following 4 key trends:



Price sensitivity & quality expectations



Health



Sustainability



Convenience food







## Price sensitivity & quality expectations

Further increased price sensitivity, combined with high quality expectations in the lowest price segment, is expected to be a trend in 2022. Increased price sensitivity (downtrading) is seen by retail CEOs surveyed in a McKinsey & Company study as the most influential trend for retailers. The trend of downtrading is reinforced by the higher quality expectations of consumers in the lowest price segment.

### Price Sensitivity Consumers in Europe:

- 34% of people say they want to save money when shopping in 2021 compared to 2020.
- 27% of people plan to explore price promotions more actively.
- 17% of people wants to start buying expensive products.

These trends are raising the quality bar for consumers, while at the same time making them want more value for their money. The consumer needs to feel that they are regularly getting value for money through promotions or the promise of a fixed low price.

A possible risk is that consumers may switch from one retailer to another. For example, because of precisely those price promotions or if another retailer capitalizes more to the (perceived) added value of products.

Ultimately, such competition is undesirable for all retailers, so it is important to distinguish yourself by emphasizing the added value of your products.



## How do you capitalize on this trend?

1

### Develop initiatives to improve margins.

For example, by working more closely with your supplier you can combat wastage. You can improve margins by tightening forecasts, adjusting order volume and better coordination during promotions and shelf advice. By increasing the promotional effectiveness through an optimized action calendar you can also improve margins.

2

### Maximize your sales by focusing on added value.

Try to capitalize on the demand for local products. One way you can do this is by communicating the story of local farmers in places like the packaging, in-store but also through online channels like social media and the website.

3

### Educate buyers in the store.

Try to emphasize all the different values of a mushroom. For example, inform the buyer that the mushroom was hand-picked, is extremely healthy, complies with all kinds of certificates and that the chain is sustainable and fair. This way you can emphasize the added value of the mushroom.

By capitalizing on this trend, you ensure that customers will stay loyal to your store. The fresh produce aisle has an enormous influence on the consumer's choice of supermarket. By paying extra attention to this aisle and capitalizing on this trend, you will win bind your customers.



## Health



According to a McKinsey & Company survey of consumers in Germany, the trend toward healthy, sustainable and local products has only increased due to the COVID-19 pandemic. In Europe, 30% of people wanted to focus more on health and nutrition in 2021 compared to 2020. Furthermore, 24% of consumers want to start spending more money on local products.

However, these two developments are still strongly influenced by individual financial situations. Consumers with higher incomes are more willing to spend money on health and nutrition. Consumers with lower incomes are more focused on saving money and are less concerned with making healthy choices when it comes to food.

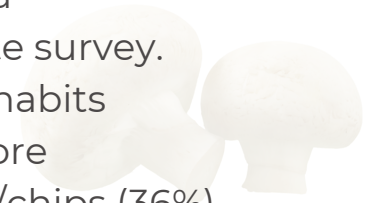
Consumers increasingly see food as a means to improve their health. The following health aspects are seen as the most important.

### Improvement of:

1. Cardiovascular health
2. Weight
3. Energy
4. Brain function
5. Digestion



The coronavirus certainly has an impact on nutrition as a component of health, according to another 2020 Deloitte survey. 10% of respondents said they had changed their eating habits because of the coronavirus. In this survey, people ate more vegetables (49%) and more fruit (57%) and fewer snacks/chips (36%), candy/chocolate (35%) and fresh meat (30%) because of the coronavirus. The survey also found that 55% of (American) consumers saw the supermarket as a partner in their health. This offers three major opportunities for retailers.



#### Opportunities for retailers:

- Emphasize health aspects of products and provide education how specific products contribute to a healthy lifestyle.
- Being transparent about the origin and the content of products.
- Combining convenience and health.

The trend towards healthy products is leading to an increasing popularity of so-called functional foods. These are foods with specific health benefits. Mushrooms can also be seen as functional foods because they contain several micronutrients such as vitamin B, potassium, selenium, phosphorus, zinc and iron. These all contribute to various functions in the body.

#### Contribution to various functions in the body:

- A healthy energy metabolism.
- A healthy immune system.
- A healthy functioning of the nervous system.



## How do you capitalize on this trend?

Consumers are looking for simple ways to eat healthier. This offers a huge opportunity for retailers to capitalize on on this as a "partner in consumer health". There is also an opportunity to add extra value to products through branding or intrinsic values so that retailers can charge a higher price.

### **Personalized health discounts**

Capitalize on health as a trend by making recommendations or offering discounts to consumers based on personal health needs. For example, a loyalty card in which consumers can fill in their own health needs. If a consumer wants to eat more vegetables, you can offer them discounted products that contribute to this goal.

### **Inform the consumer**

By communicating the benefits of eating mushrooms to consumers (thus informing them), you can capitalize on this trend. Communicate benefits such as mushrooms being packed with vitamins, minerals, being low in calories, being low in fat, low in sodium and being gluten free.

### **Introduce new, health-oriented private labels**

Make it easy for consumers to identify healthy products by introducing health labels. This way you stimulate the consumer to make healthy food choices. Such health labels work in a similar way to a quality mark and they also add value to the products, which is in line with the first trend.

### **Mushrooms as a pure ingredient for meat substitutes**

Offer meat substitutes made from mushrooms, using only pure ingredients. For example, a plant-based shoarma package made from mushrooms with a Clean & Clear label. Products with this label have a small list of ingredients. This way you make it easy for consumers to make a healthy food choice.

By capitalizing on this trend properly, you add even more value for your customers. This will make it much less likely that they will switch between supermarkets. The added value you provide will also cause positive word-of-mouth, both online and offline.





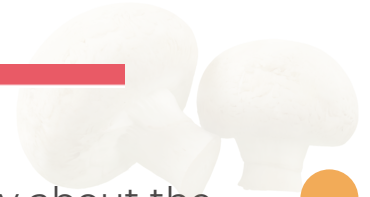
## Sustainability

Across Europe, we see a growing interest in transparency about the origin of products and in shorter, more sustainable chains. The growth rate of consumer goods marketed with sustainability in mind is almost four times higher than the market average. As a result, sustainability is increasingly a strategic, differentiating factor for retailers and a source of value and growth in often challenging, stagnant market environments.

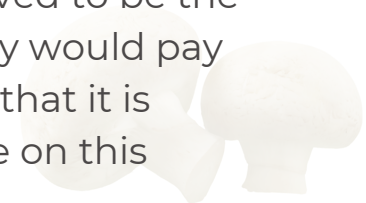
The COVID-19 pandemic has also had an impact on sustainability trends. In a McKinsey survey of consumers in Europe, half of respondents said the pandemic had increased their willingness to pay more for sustainable groceries. 38% of respondents said that sustainable products will be even more important after the pandemic than they already are. A 2021 Waitrose survey found that nearly 70% of consumers surveyed consider the carbon footprint of their food important. All of these results underscore the growing importance of sustainability for consumers, which retailers can take advantage of.

Top 5 sustainability aspects people want to pay for (according to McKinsey research):

- Free of environmentally hazardous ingredients or materials
- Low carbon dioxide emissions
- Fair wages for workers.
- Free of child labor
- Avoidance of packaging material or plastic and Use of recycled packaging material or plastic



Fresh produce (such as fruits, vegetables and meat) proved to be the most important here as 7 out of 10 respondents said they would pay more for fresh produce if it was sustainable. This means that it is both good for company image and margins to capitalize on this trend.



## How do you capitalize on this trend?



### Be transparent about the origin

Capitalize on the trend of sustainability by being transparent about the origin of products. For example, by placing a QR code that shows the mushroom farmer including a "road to plate" path with the date of harvest.



### Emphasizing circularity

If the products come from a circular farmer or breeder then you can capitalize on this trend by communicating this to the customer. By emphasizing this circularity on the packaging, in the store or online channels for example, you make the mushroom more sustainable.



### More sustainable packaging options

You can work with suppliers to explore more sustainable packaging options to reduce plastic, for example. Through collaboration between retailer and supplier, you can increase sustainability and capitalize on this trend.



### Communicate organic and/or regional labels

You can emphasize the sustainability of products by using organic and regional labels. Additional explanation of exactly what these labels mean ensures that you are sure the consumer understands them.



### In-store transparency

By giving the farmers and breeders of the products a 'face', you add value to the products. A mushroom then changes from an anonymous commodity product to a mushroom grown by a real farmer.



If you don't capitalize on this trend, you could lose out on margins. Some consumers are willing to pay extra for sustainable products, but not all. If you as a retailer have a sustainable image or strive for one, then this trend is a huge opportunity to win margins.



## Convenience food



The pandemic triggered a shift towards at-home consumption. Consumers were forced to prepare meals at home (again) and the demand for convenience foods grew with it. It is unlikely that the trend of home cooking (and thus the demand for convenience foods) will go away. Also, many households have been financially affected by the pandemic, and preparing a meal at home is obviously a lot cheaper than eating out.

Working from home has also changed consumers' shopping habits when it comes to groceries. Many are still not back in the office full time, so don't have to travel from home to work, and that means people have more time for breakfast and lunch, for example.

Eating times and the time available to prepare food have changed due to the COVID-19 pandemic. This offers opportunities within different categories, mainly within fresh and convenience products and a chance to sell products with a higher margin (or higher cash register value).



### Reasons why convenience foods are on the rise:

- Households are financially affected by the pandemic
- Preparing a meal at home is a lot cheaper than eating out
- Working from home provides more time for meals.





## How do you capitalize on this trend?

1

### Inspire consumers in a number of ways.

For example, by including mushrooms in marketing campaigns about eating less meat. Alternatively, by communicating on in-store which mushrooms have which health benefits or go well with particular dishes. Mushrooms are also an ideal product to use in culinary cross-sell promotions.



2

### Convenience innovations.

Introduce new, healthy fresh produce products that cater to the new eating habits. By offering consumers ways to save time and eat more healthily, you are capitalizing on this trend. Think of (vegetable) food innovations for breakfast and lunch.





## About Limax

We are a group of cultivation and trade companies in the agricultural business in the Netherlands and Poland. We have one common mission: to ensure that as many people as possible enjoy our fresh, super tasty and extremely healthy products, our vitality boosters.

What we do, we do well.  
The Limax brand stands for premium quality:

- The best and freshest products
- The highest level of service
- Guaranteed food safety
- Creativity and innovation
- A wide range of products
- Any desired packaging
- Sustainable partnerships
- A perfectly organized supply chain

Doing business with Limax means doing carefree business.  
Want to know what Limax can do for you?  
Then get in touch with us.  
We are ready for you!



*Mark Duppen: Commercial Manager  
Fresh Mushrooms at Limax*

## Our certificates:





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