

# MUSHROOM MARKETING

## Making room for mushrooms

Despite rising food costs, consumers continue to reach for this versatile vegetable

By Jennifer Strailey

**T**here's something inherently "extra" about mushrooms.

Sure, they slay as a flavorful and more affordable substitute for meat, but they also offer health benefits galore, play well in a variety of diets and cook quickly.

And while mushrooms aren't entirely inflation-proof, retailers can capitalize on current trends to drive sales in the category.

"Mushroom sales are following the patterns seen in the produce department [and] the grocery store in its entirety," said Anne-Marie Roerink, principal and founder of 210 Analytics. "Meaning the tremendous amount of economic pressure is causing consumers to carefully balance what lands in their shopping baskets."

But despite volume pressure in the

category and throughout the store, when it comes to fresh mushrooms, "there are quite a number of bright spots and interesting trends," Roerink added.

One such trend is the power of sales promotions to not only bolster mushroom sales but to drive shoppers to a particular store.

"Consumers are very interested in sales promotions and show a greater willingness to add another store into the mix to capitalize on good deals," Roerink said. "The mushroom retailing industry is responding by increasing the number of promotions. Over the past 52 weeks ending mid-June, 17% of total fresh mushroom dollars were sold on promotion, which was up 13.5% versus the year-ago levels, according to data insights firm Circana."

And while white mushrooms still dominate category sales, specialty mushrooms offer opportunities for further growth.



Mother Earth Organic Mushrooms' recently launched 8-ounce Organic Mother's Harvest features a blend of exotic mushrooms that may include lion's mane, oyster, pioppino, maitake and royal trumpet mushrooms. Photo: Courtesy of Mother Earth Organic Mushrooms

According to data from Circana, Integrated Fresh for the four weeks ending June 18, 2023, white mushrooms represent 52.3% of

mushroom dollars or \$48.7 million in sales; brown mushroom sales are flat at \$39.4 million; but at \$5.1 million, sales of specialty mushrooms are up 5.3% from the year prior.

### The spike in specialty

What's moving the needle on specialty mushrooms?

"Foodies are ever-growing in numbers and they love mushrooms — specialty mushrooms to be exact," said Roerink, adding that retailers that carry more types and variety packs of specialty mushrooms are helping drive the subcategory.

"Dollar sales of specialty mushrooms increased 5.4% over the past 52 weeks and pounds increased by 1.9%," Roerink said. "This highlights a bigger trend seen in produce and retail altogether."

"While there is a tremendous focus on value, it is not a race to the bottom," she continued. "Consumers are still making room in their wallets for a premium experience, an everyday escape or something nice for themselves or their families. And that's mushrooms' superpower: the ability to premiumize a meal — something we see in foodservice all the time."

At Pennsylvania-based Mother Earth Organic Mushrooms, Meghan Klotzbach, vice president sales, marketing and operations, also sees growing demand for specialty varieties, particularly those that offer functional nutrition.

"Exotic or specialty mushrooms are very hot right now," Klotzbach told The Packer. "While white and crimini mushrooms are still the top varieties sold, many of the exotic mushrooms are increasing in sales."

"We have seen a large spike in [sales of] oyster and lion's mane mushrooms this year," Klotzbach continued. "There is so much research being done on lion's mane especially due to the brain health properties they have. Consumers are looking to food for health benefits more than they have in the past."

In response to the trend, Mother Earth Organic Mushrooms has launched two new retail items this year, including a 3.5-ounce Organic Lion's Mane and an 8-ounce Organic Mother's Harvest — a blend of exotic mushrooms that may include lion's mane, oyster, pioppino, maitake and royal trumpet

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mushrooms.

Sean Steller, director of business development for Phillips Mushroom Farms in Kennett Square, Pa., also sees increased interest in functional mushrooms and varieties with potential health benefits.

“The No. 1 mushroom we are asked about is lion’s mane,” Steller said. “What is it? What does it taste like? Where can I find it?”

“Lion’s mane is a soft mushroom with a mane-like texture that absorbs flavor during cooking and [works] as a seafood complement or replacement,” he explained. “My favorite recipe is lion’s mane ‘crab’ dip — no crab necessary.”

## The organic and sustainable farming story

Recent data for organic mushrooms also reveals growth opportunities.

“We continue to see strength for organic mushrooms,” Roerink said.

“Organic is about 10% of pound sales and reflects an increase of 3.0% in dollars and 0.4% of pounds,” she said, pointing to Circana data.

Steller agrees. “Organic mushrooms continue to grow in popularity,” he said. “Some retailers are even switching to all-organic options to reduce shelf space requirements and choice.”

However, while die-hard organic consumers continue to buy, Klotzbach sees the impact of inflation on organic mushrooms.

“It seems that people who are heavy organic shoppers and purchase most of their food organically are still purchasing organic, but the light to moderate organic purchasers seem to move more towards conventional mushrooms when inflation is high,” she said.

To make the price of organics more appealing, Phillips Mushroom Farms has created new 4-ounce organic sliced mushrooms packages that introduce a lower price point and single-serving size. Its 4-ounce Organic Sliced White and 4-ounce Organic Sliced Crimini are available in 12-pack cases.

During inflationary times, consumers may need a nudge to put organic produce in their baskets. Here’s where sustainable storytelling comes into play. Fortunately, mushrooms have a worthwhile story to tell.

“Mushrooms are recognized as one of the most sustainable foods grown in the U.S.,” said Bryan Shelton, vice president of sales and marketing for Giorgio Fresh Co., Temple, Pa. “At Giorgio, we have implemented innovative practices that not only minimize waste but also promote a regenerative cycle within the agricultural ecosystem.

“Our mushroom growing operations take

agricultural waste and convert it into a nutritious substrate on which mushrooms are grown,” Shelton continued. “After use, this organic matter is sent to farmers’ fields as a soil amendment, paving the way for a regenerative cycle. By using agricultural waste as a resource, Giorgio effectively diverts it from landfills and reduces the overall environmental impact associated with waste disposal.”

## Stuffed to the gills

Value-added offerings are also creating

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Photo: Courtesy of Mushroom Council



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additional excitement in the mushroom category.

“Whether merchandised in the produce, meat or deli departments, stuffed mushrooms are doing tremendously well as they check so many of today’s food trend boxes,” Roerink said.

She sees retailers leveraging package innovations in stuffed mushrooms to drive double-digit sales gains. Packages that are ready to go into the microwave, oven or air fryer are capturing the attention of retailers and consumers alike.

“Several retailers, including Wegmans and Safeway, are also highlighting the option to put stuffed mushrooms on the grill,” Roerink said. “And that’s, of course, another place where mushrooms shine in the summer on kebabs, steaks and burgers.”

Roerink reports that stuffed and stuffer mushrooms have garnered \$69 million in sales over the past year, up 29% from 2019. Still more impressive, the \$49 million in sales for stuffed mushrooms in the produce department represents an increase of 192% over the past five years, with units up 135%, she said.



Photo: Courtesy of Mother Earth Organic Mushrooms

But the produce department isn’t the only destination for these coveted plant-forward and convenient items. In the meat department, stuffed mushroom sales are rapidly increasing too, at more than 82.9%, Roerink said. Stuffed mushrooms have nabbed another more than 63.8% for dollar sales increases in the deli department.

Giorgio Fresh aims to deliver on flavor and convenience with its selection of stuffed mushrooms.

“Consumers can discover a delectable array of flavors with our wide selection of stuffed mushrooms designed to simplify meal preparation,” Shelton said. “With the convenient heat-and-serve cooking method,

extensive prep work becomes a thing of the past.”

## Slow food that’s fast

September is filled with opportunities to promote fungi. Not only does the month kick off the back-to-school season, it’s also National Mushroom Month.

“It’s a busy, hectic time for consumers, so launching in September and in the months to follow, we’re showcasing how mushrooms make meals easier with an all new ‘Real Fast. Real Food. Mushroom Meals in Minutes’ promotion, said Eric Davis, spokesperson for the Mushroom Council of Lee’s Summit, Mo.

Mushroom Council aims to tackle consumers’ time-starved schedules by presenting satisfying meal ideas that are convenient and easy to prepare.

“Based on that data, our content will focus on quick recipes and convenience to support our audiences’ busy lifestyles,” Davis said.

“The campaign centers around the idea of ‘fast food,’ not in the traditional sense, but in your own kitchen, made with mushrooms.”

Highlights of the campaign include:

- Downloadable and digital meal plans.
- E-blasts sent out each week delivering recipes and grocery lists.
- Digital ads featuring recipe videos on YouTube and banner ads.
- Social media promotions across Instagram, Pinterest, TikTok and Facebook.
- Dedicated content landing page on the Mushroom Council’s website, where users can shop all of the recipes.
- National media outreach.

“It’s all about getting shoppers to add just one more carton of mushrooms to their grocery carts,” Davis said of the campaign that features weekly meal plans, complete with recipes and grocery lists to provide consumers a simple solution to meal planning with mushrooms.

The meal plans can be downloaded, or users can add an entire week’s worth of groceries to their online shopping cart with just one click, Davis said.

Looking ahead to the back-to-school season, Giorgio Fresh says it maintains a “close collaborative relationship with its retail partners to guarantee the successful merchandising of fresh mushrooms.”

“[Our] partnerships focus on several key aspects, such as creating captivating displays, cross-merchandising with complementary products, providing education to both retail staff and consumers, supporting promotional efforts and ensuring top-notch quality,” Shelton said. “Together, these initiatives drive sales, elevate the shopping experience and reinforce the allure of fresh mushrooms as a versatile and enticing ingredient.” **P**

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# Mushroom's moment

Perhaps once seen as just a trendy addition, is the mushroom now ready to become a grocery cart staple?

By Kristin Leigh Lore

In the first half of 2023, the humble mushroom has been enjoying the limelight. The once esoteric fungi is popping up everywhere — in wellness teas, vitamins, smoothies, body care products and seemingly every aisle of the grocery store. Once considered hyper-niche, exotic mushroom varieties like oyster and lion's mane have been popping up on ingredient food labels across departments.

What's more, the mycological movement is taking social media by storm, even sparking a 'shroom décor trend in 2023 that includes fungi shapes and mycological-inspired designs in everything from candles to furniture to wall art.

Beyond recent fanfare, does the mushroom's newfound buzzy status translate into sales in the produce department? While food-tech entrepreneurs seek out rare mushroom varieties and mycelium proteins to develop the next hyper-processed food product, are shoppers warming up to the whole ingredient on produce aisle shelves?

"Mushrooms are a super fresh product with high nutrients that is on your plate within days of being harvested. There aren't too many products that can claim that," Highline Mushrooms CEO Jose Cambon told The Packer.

The challenge for the mushroom industry right now, according to the Leamington, Ontario-based organic mushroom grower, is nailing the pitch. Cambon believes that the mushroom sector can learn a thing or two from recent blueberry marketing wins.

## Learning from blueberry's 'aha!' moment

"Effectively, blueberries were a sector that was going along pretty well, but not flying," Cambon told The Packer. "And then everyone started buying blueberries."

"Mushrooms are a super fresh product with high nutrients that is on your plate within days of being harvested. There aren't too many products that can claim that."

— Jose Cambon, Highline Mushrooms

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What changed, according to the Cambon, was that blueberries marketing shifted to tout the little fruit's health benefits — and one in particular.

“What changed the blueberry sector is the connection to antioxidants,” Cambon said. “People found a reason to eat more blueberries because they give you antioxidants. None of us know what an antioxidant is, but we desperately need them, right?”

Mushrooms are poised for their breakthrough marketing moment, Cambon says, and a shift from a nice-to-have grocery cart addition to a fresh produce staple.

“This is the challenge for mushrooms right now,” Cambon said. “We know that [they're] good for you, we know they're super healthy ... but we haven't got the health message executed. We need to find a very clear simple message that resonates with consumers, particularly Americans.”

Mushroom consumption in the U.S. is much lower than most parts of the world, he said

Underlining this, The Packer's Fresh Trends 2023 survey showed that only 33% of consumers said they purchased mushrooms in the past year, down from 38% in the previous survey and down from 40% in Fresh Trends 2021.

To Cambon, this translates to a huge opportunity for the mushroom industry help Americans improve their health.

### Touting mushrooms as a natural meat alternative

The body of evidence promoting both the health and environmental benefits of plant-based eating continues to grow, bolstering the case for Americans to start eating more produce-centric meals. Yet another major report is grabbing headlines — this time it's a peer-reviewed study from the University



Fungi is enjoying some buzz in the cultural zeitgeist, but is it translating to sales in the produce department? Photo: Courtesy of Highline Mushrooms



In gearing up for growth, Farmer's Fresh Mushrooms is in the final stages of a major expansion that will place an additional 250,000 pounds of new production into the marketplace, says Garth McLean, vice president of sales and marketing. Photo: Courtesy of Farmer's Fresh Mushrooms

of Oxford that says eating a plant-based diet is significantly better for the environment than eating a meat-centered diet.

“There is a strong relationship between the amount of animal-based foods in a diet and its environmental impact, includ-

ing GHG emissions, land use, water use, eutrophication and biodiversity,” according to the Oxford report. “Dietary shifts away from animal-based foods can make a substantial contribution to reduction of the UK environmental footprint.”

The Oxford study makes a case for everyday omnivores to load up their cart with non-animal products.

For shoppers searching for a sustainable meat swap, the mushroom is the obvious choice. It serves up a sought-after umami flavor and a naturally meaty texture that is not easily mimicked with other whole food, plant ingredients.

“I think mushrooms are having a moment,” McKinzie Koons, who leads marketing and communications at J-M Farms, told The Packer. “The Mushroom Council has been pushing the blend for a long time. In fact, I believe four years ago Sonic picked up a blended burger, and they worked with Sonic directly to develop that.”

While the blended mushroom burger wasn't an instant hit at the drive-through fast food chain, the Oklahoma-based mushroom producer is seeing a renewed interest in blended burgers and mushroom-based meat alternatives.

“Now, there's a huge push for it, especially in the school system,” Koons said. “I think you're going to start seeing that more and more.”

### Gearing up for growth

J-M Farms rolled out its expansion in the winter of 2020, and it is now expanding its composting area, the first step to adding more mushrooms in production, Koons said.

In British Columbia, Garth McLean, vice president of sales and marketing for Farmer's Fresh Mushrooms, told The Packer that it is also preparing for growth.

“We are in the final stages of our major expansion, which will start to roll out in October,” McLean said. “We will be adding an additional 250,000 [pounds] of new production into the marketplace.”

Farmer's Fresh Mushrooms is eager to cut the ribbon on the company's \$25 million facility expansion, which includes two new barns with 12 new rooms sized at 12,000 square feet each.

“The new barns will use state-of-the-art technology from Holland,” McLean said. “This includes high performance air filters, cooling and heating, growing technology and computer monitoring.”

This year, production at Farmer's Fresh Mushrooms was down about 10% over the summer because of intense heat waves, he said. But on the upside, the grower-shipper — which produces both conventional and organic white, crimini and portabella mushrooms for Canadian and West Coast markets — is seeing growth in the organic category.

“Organic prices are close to conventional since inflation, so sales in organic are getting stronger,” he added.

Highline Mushrooms is excited to roll out new packaging this summer, introducing its new translucent packaging recently at the Organic Produce Summit in Monterey, Calif. What's special about this launch is that it eschews the standard colored plastic box for a clear alternative.

“We just launched clear packaging, so consumers can actually see the product they're buying,” Cambon said.

Not only will this new packaging highlight the high-quality mushroom product itself to entice shoppers, but the translucent packaging is also more recyclable, Cambon said. **P**

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