

Five Ways To Sell More Fresh Mushrooms Year-Round

BY CAROL BAREUTHER

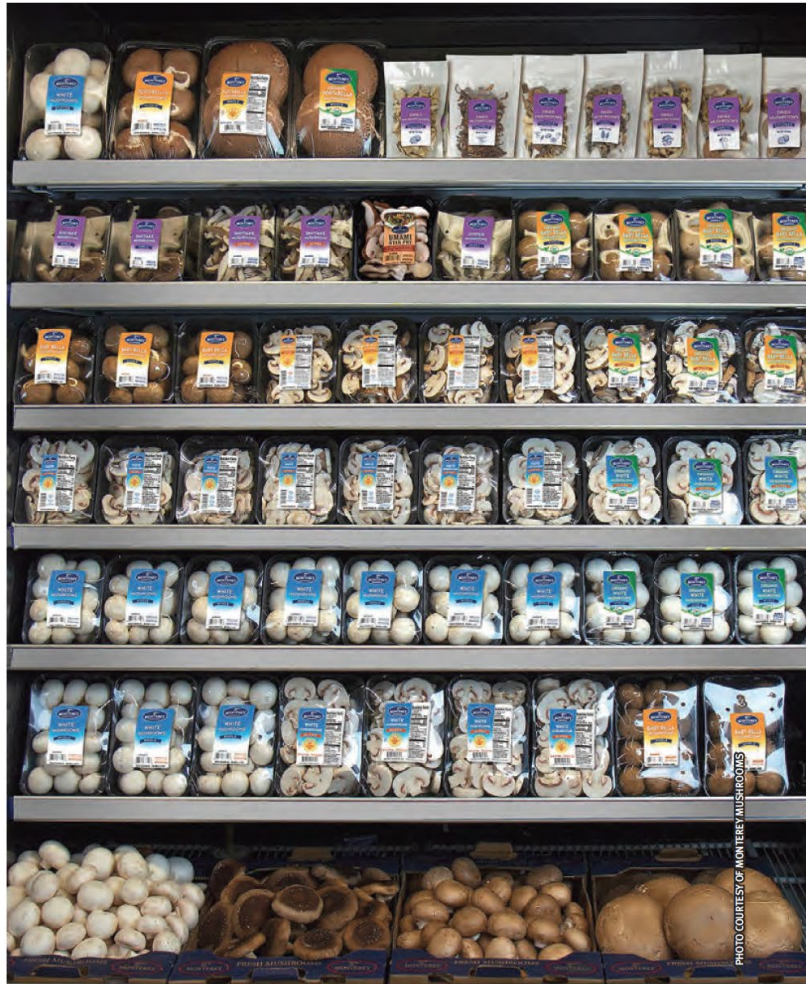
Mushrooms have literally mushroomed in sales over the past year. The good news for retailers is that there are no signs this register ringing reaction by consumers for their favorite fungi, spurred by COVID-19 pandemic consumer buying and cooking habits in the wake of the COVID-19 pandemic, is stopping.

Case in point: mushroom category dollar growth was virtually flat (+0.6%) in 2019 compared to the year prior, according to the Washington, D.C.-headquartered United Fresh Produce Association's (UFPA) *FreshFacts on Retail, Year in Review*. Then, mushroom sales jumped up 6.6% in pounds and 10.8% in dollars from February 15 to March 28, 2020, compared to the six weeks prior, according to the UFPA's *FreshFacts on Retail Q1 2020* report. More recently, mushroom category sales, though representing only 1.9% of total produce sales, were up in dollars by 10.9% during the 52 weeks ending July 4, 2020, based on data provided by Nielsen, a New York-based data analytics company.

Since the health crisis took hold, IRI data has consistently shown mushroom sales are increasing at around 25% to 35% compared to the same week last year.

"Mushroom demand is high, and a recent survey suggests it will continue at this pace after this crisis," says Mark Lang, MBA, Ph.D., associate professor of marketing at the University of Tampa, in Tampa, FL, who was commissioned by the Redwood Shores, CA-headquartered Mushroom Council to poll 750 consumers in April and develop the survey titled *Fresh Mushroom Attitudes & Behaviors During COVID-19*.

Survey results reveal 25% of consumers plan to cook more with fresh mushrooms 'after things get back to normal' post-pandemic, while another 63% plan to cook with about the same amount. When asked why consumers are using more fresh mushrooms, versatility was king — 38% of respondents said they feel mushrooms 'can be used in many ways,' and 47% said mushrooms 'go with what



I'm cooking.' Health is the second-ranked reason with respondents saying mushrooms 'provide better nutrition and health' (39%) and 'help with vitamin D intake' (38%).

Here are five ways to capitalize on this mushrooming trend and keep sales growing.

1. SERVE A BUFFET OF SELECTIONS

"We haven't seen any big changes in what types of mushrooms are selling, rather we're

selling more of everything now, both whole and sliced," says Marc Goldman, produce director at Morton Williams Supermarkets, a 16-store chain based in Bronx, NY.

White button mushrooms represented over half (53.7%) of category dollars, up 8.5% in sales during the 52-weeks ending July 4, 2020, versus the year prior, according to Nielsen data. Crimini, or baby bellas, rank second at 33.4%, up 14.6%; portabellas third at 5.6%, with

a 6.8% sales increase; and shiitakes fourth at 4.1%, up 12% in sales. Rounding out the category and each representing 0.6% of sales are oyster mushrooms and mixed packs, with dollar increases of 21.9% and 7.2%, respectively.

“White button mushrooms are the foundation of the category,” says Bruce Knobloch, vice president of marketing and product development for Watsonville, CA-based Monterey Mushrooms, Inc. “Also, we’re seeing interest in larger pack sizes, 16 ounces in addition to 8 ounces. Since the pandemic started, consumers are shopping less frequently, but purchase more on each trip.”

One trend seen over the past few years by Kevin Delaney, vice president of sales and marketing for Avondale, PA-headquartered To-Jo Mushrooms, Inc., is an increased demand for brown mushrooms. “Baby bellas are gradually overtaking white mushrooms to become the category leader.”

Baby bellas are also outpacing sales of their larger brown relatives, the portabella, says Monterey’s Knobloch. “Portabellas are more popular in the summer for grilling and use as a meat alternative.”

While whites and browns continue to dominate the category, according to Greg Sagan, executive vice president of sales and marketing for the Giorgio Fresh Co., in Temple, PA, “we are seeing double-digit growth in specialty mushrooms and exotics.”

Shiitake is a specialty variety seeing a greater pick up by shoppers.

“Sliced is a main driver of shiitake,” says Kevin Donovan, national sales manager for Phillips Mushroom Farms, headquartered in Kennett Square, PA. “We’re also seeing increased demand in Royal trumpet since they’re featured in Asian cuisine, and maitake, for their medicinal benefits and flavor. We have both available in sliced to make cooking with them easier as well as the whole.”

Mixed packs of mushrooms are one way consumers can sample a specialty without having to purchase a large quantity. Phillips, for example, sells its Chef’s Medley, a mix of beech, royal trumpet and shiitake, in a 5-ounce till for retail. Similarly, Mother Earth LLC, in West Grove, PA, has introduced an organic oyster, shitake and crimini.

“It’s not typically easy to find oyster mushrooms, so this medley offers customers an opportunity. Plus, oyster mushrooms are great in pasta and stir fries,” says Meghan Klotzbach, Mother Earth’s vice president of sales, marketing and operations.

Klotzbach adds, “We started to really

push exotics a year or two ago. Back then, you’d only find them in specialty grocers like Whole Foods. Now, we’re seeing more exotics like maitake, royal trumpet and enoki on the shelves in mainstream retailers, which is great.”

Beyond assorted varieties, value-added mushrooms can add incremental sales.

“We have a line of ovenable/microwaveable stuffed mushrooms in three flavors—Fiesta Cheese Blend, Cheese and Imitation Bacon Bits Blend and Artichoke, Spinach, and Cheese Blend—all of which are offered in a

convenient microwavable tray,” says Giorgio’s Sagan.

2. GROW SALES WITH ORGANICS

The organic mushroom offering has exploded and seems to be where the growth is, and quite frankly is the wave of the future, says John Savidan, senior director of produce and floral at Gelson’s Markets, an upscale 27-store chain headquartered in Encino, CA. “As consumers focus more on health and food safety, it justifies why they feel more comfort-



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able buying organic varieties rather than conventional.”

Organic mushroom sales grew 15.2% in dollars and 9.4% in volume, according to the Mushroom Council’s *Retail Tracker* report, for the 52-weeks ending May 17, 2020. Conversely, conventionally grown mushrooms increased 5.4% in sales and 3.5% in pounds.

Consumers gaining greater access to organic mushrooms, says To-Jo’s Delany, “is helping to drive up the category.”

Mushroom growers such as those at Giorgio Fresh have taken steps to increase its production of organic mushrooms, says Sagan. “We offer a large variety of organic mushrooms, including shiitakes (both whole and sliced), Royal Trumpet, Maitake and Beech mushrooms. Our customers are supporting sales of organics in a big way.”

3. BUILD IT & THEY WILL COME

Prominent and attractive displays help boost shopping list and impulse purchases alike, growers say.

“We merchandise our mushrooms all together in a nice impactful set,” says Gelson’s Savidan. “The mushroom sets in our departments will utilize color breaks for impact, which naturally draws the culinary consumer to buy more when perhaps they really weren’t

intending to without having to discount or lessen the experience.”

Product mix and in-store execution at the display level drive sales within the mushroom category,” says To-Jo’s Delaney. “Finding the right product mix is key. We work with some retailers that will carry over 40 SKUs and some that only carry four. What works for one doesn’t necessarily work for others.”

That said, fine-tuning the product mix can maximize sales and reduce shrink, Delaney adds. “A good example is a shift in focus to organic baby bellas. These tend to have a better shelf life than organic white mushrooms. This allows our retail partners to offer a premium organic product to their consumers while reducing their risk or product loss.”

4. CAPITALIZE ON THE COOKING-AT-HOME TREND

Everyday displays of fresh mushrooms at Morton Williams Supermarkets are adjacent to the fresh herbs, says Goldman. “It’s part of our cooking set, as many recipes that call for fresh herbs also call for mushrooms.”

Consumers that have increased their mushroom purchases since the pandemic began are including these ingredients in an array of mealtimes and dishes, based on results of the *Fresh Mushroom Attitudes & Behaviors During COVID-19* survey. Specif-

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ically, in pasta (46%), pizza (44%), salads (34%), omelets (33%) and with chicken (32%).

“Cross merchandising mushrooms with salads was traditionally a great way to get a lift. Meal kits have been very popular over the past couple of years, so cross merchandising mushrooms with garlic and onion, for example, is another great way to give consumers a menu idea for the week,” says To-Jo’s Delaney.

In addition, spotlight mushroom’s versatility, flavor and meaty texture next to peppers, onions and other vegetables in the produce department for stir fries and sautés, and cross merchandised in the meat department for kabob fixings, suggests Giorgio’s Sagan, who adds that the company offers many recipes for retailers to use as well as a social media kit complete with recipes and images. “For successful results, we encourage retailers to position mushrooms as a great meat alternative. We certainly believe that the health and nutritional story of mushrooms provides a great narrative for retailers, as consumers of all ages are looking for healthy food options, and mushrooms rank right there at the top.”

Simple signage can also give meal ideas and boost basket rings, says Mother Earth’s Klotzbach. “For example, put a sign ‘Build a Better Burger’ and merchandise mushrooms next to the ground beef, or ‘Build a Better Pizza’ and add mushrooms to a deli display of ready-to-bake pies. Or, since consumers are shopping more online these days, a retailer can cross merchandise electronically by having mushrooms pop up as a suggested buy when someone searches for ground beef.”

In early 2020, the Mushroom Council expanded its digital outreach for The Blend—the culinary practice of blending meat with fresh mushrooms—to broader consumer audiences with its ‘Remix Your Recipe’ campaign. The ad campaign features YouTube ads with animated DJ turntables spinning burgers on the platters. Over pulsating electronic dance

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music, vocals declare “Ju-ju-ju-ju-just add ‘shrooms!” as animated crimini mushrooms cascade down the screen. The ad closes with a call to action to visit the Mushroom Council’s microsite for The Blend remix that guides followers to blended recipes and additional information.

5. PROMOTE YEAR-ROUND

The traditional style of promoting via price still produces the strongest results, growers say.

“We promote at various times throughout the year, and especially at holidays like Thanksgiving and Christmas,” says Morton Williams Supermarkets’ Goldman.

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Phillips Mushroom Farms increases its production of mushrooms by 30% for the winter holidays. However, says Donovan, “while summer is slower, it’s a great time to promote mushrooms for grilling and other seasonal recipes.”

When planning mushroom ads, Monterey’s Knobeloch says to mix it up. “Alternate your promotional activity with conventional and organic product. Not only does this promote a wider segment of the category, but it lets customers know you carry both.” **pb**