



# Selling Forest-Grown Mushrooms: Customers, Qualities, and Opportunities

November 2010

This report summarizes a study conducted by Cornell Cooperative Extension of Ontario County during 2009 and 2010, investigating marketing opportunities for forest-grown mushrooms in New York and the Northeast US. More than 60 potential buyers were interviewed and surveyed for insights regarding forest-grown mushroom purchasing volume, quality standards, desired characteristics, pricing, delivery, and communications. This report is intended to give potential sellers practical information and guidelines regarding species, packaging, flavor expectations, marketing integrity, buyer expectations and distribution systems. It is part of a larger NIFA-funded research project of Cornell University's Department of Horticulture called "Forest Production of Gourmet Mushrooms in the Northeast."

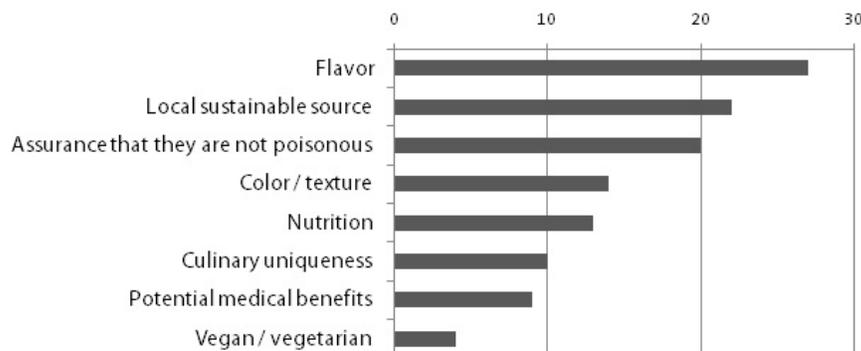
## **Part 1: SELLING FOREST-GROWN MUSHROOMS DIRECTLY TO CONSUMERS**

Data collection: Cornell Cooperative Extension obtained 26 lbs. of locally-sourced forest grown shiitake mushrooms and distributed sample packages to several dozen consumers in Upstate New York. Upon receipt of the sample, the consumers were asked to participate in either a qualitative interview or a quantitative mail-back survey. During the project period, 18 consumers were interviewed and 34 consumers were provided with mail back surveys. Nearly all the surveys were completed and returned (32 / 34 or 94% response rate) providing very high confidence in the survey results.

### **1) Consumers hinge their purchases on several key mushroom characteristics**

Consumer input provided a new look at what aspects of forest-grown mushrooms are of greatest interest. The survey responses, affirmed by the qualitative interviews, show that flavor, sustainability, and assurance about mushroom safety are quite important. Interviewed participants more often reported that being able to ensure edibility was the most important characteristic.

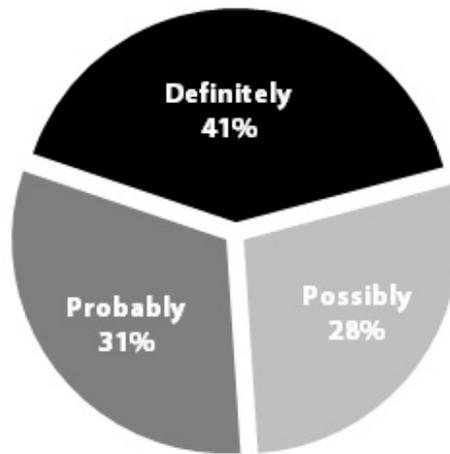
#### **Which characteristics are most important if you buy locally-harvested mushrooms?**



## 2) Local source can increase demand for forest-grown mushrooms

It is important to anticipate how local production of forest-grown mushrooms can influence the marketability of the product. More than two-thirds of the respondents reported that they will take a greater interest in mushrooms if the mushrooms are locally-produced.

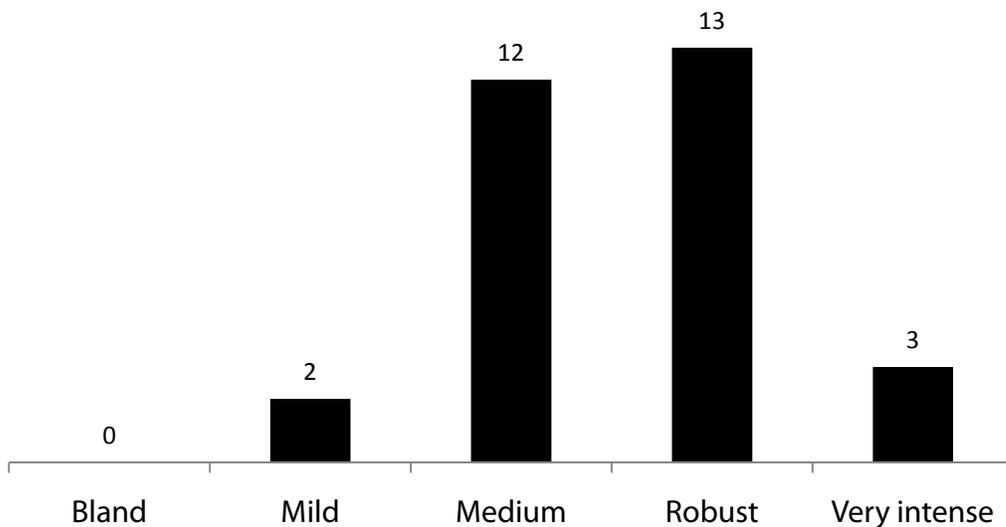
**Would you increase your mushroom consumption if there were more grown locally?**



## 3) Consumers are looking for bigger flavors, but not too much

One of the common selling points of forest-grown mushrooms is their freshness and more intense flavors. The interviews and survey indicates that local consumers appear ready to experience stronger-flavored mushrooms.

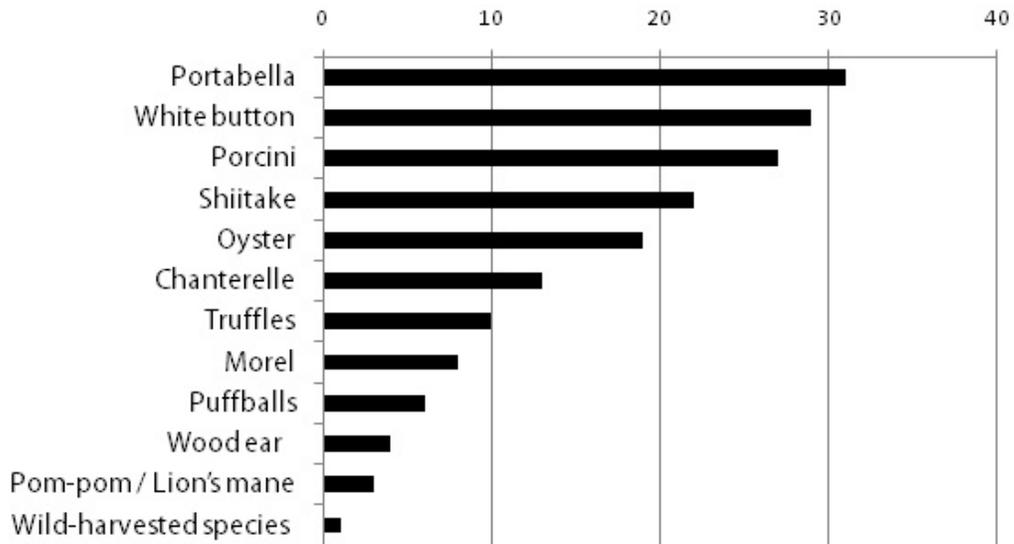
**What intensity of flavor do you generally look for in mushrooms?**



#### 4) Shiitake can provide a good introduction to the consuming public

When asked about current mushroom purchasing patterns, nearly all respondents interviewed and surveyed reported familiarity with common species such as Button mushrooms and Portabella, and the species Porcini. Of the log-cultivated mushrooms, only Shiitake was more commonly purchased by the survey respondents, followed by Oyster and Lion’s mane. Consumers are more likely to purchase “known” species like Shiitake, and it provides an opportunity to introduce other species.

#### Which kinds of mushrooms are you already familiar with or periodically purchase?

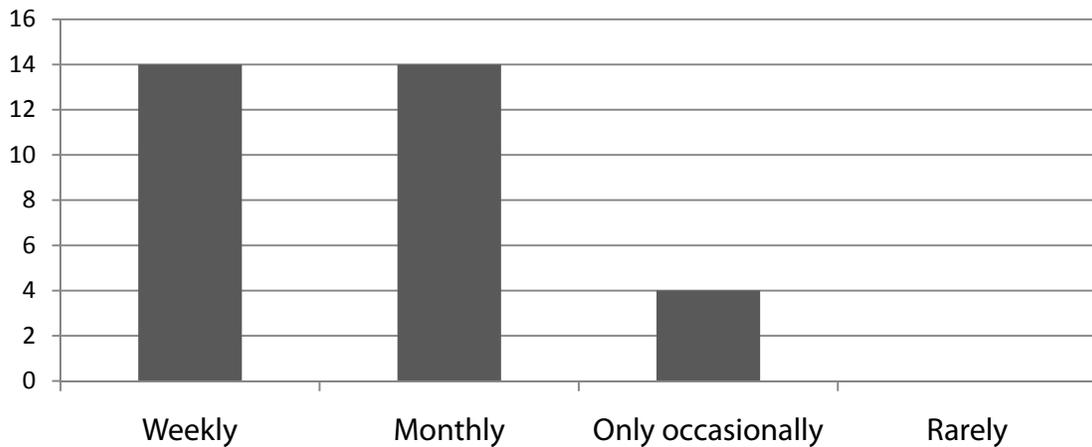


### 5) Consumers are consuming fresh mushrooms more regularly than dried mushrooms

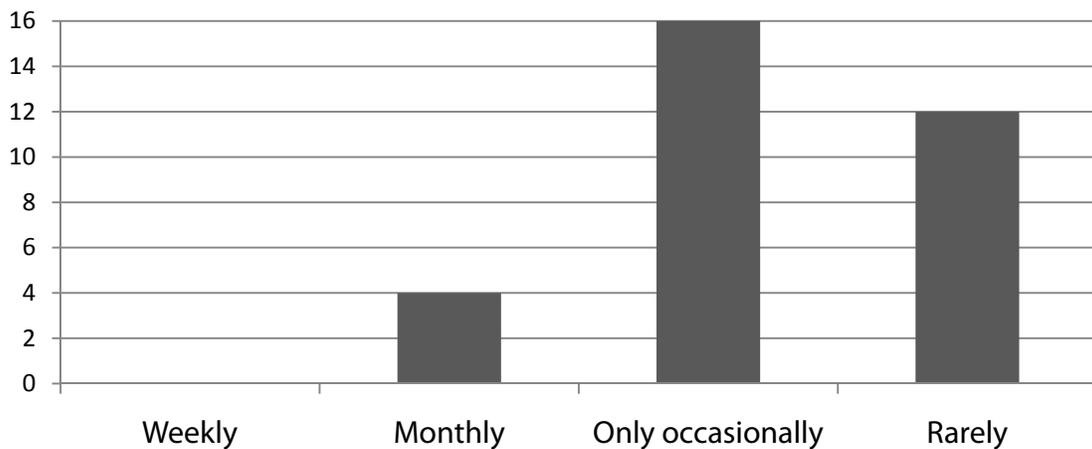
Consumption patterns of mushrooms among the respondents showed a favor for fresh mushrooms over dried. In fact, dried mushroom consumption was reported to be quite low:

**How often do you consume fresh or dried mushrooms?**

#### Fresh mushrooms



#### Dried mushrooms



## Direct marketing guidelines for forest-grown mushrooms

Forest-grown mushrooms do not sell themselves. Producers of forest-grown mushrooms can save themselves a lot of time and trouble by engaging in a set of essential marketing practices that can be combined into the following formula:

### **Flavor + trust + instruction = effective sales**

**Flavor:** Potential consumer buyers are looking predominantly for flavor in their fresh mushroom purchases. They are interested in medium to robust flavor distinct to the type of mushrooms grown. When introducing forest-grown mushrooms, be sure to note their flavor characteristics. It is a good idea to offer a very cheap (or free) trial size) to allow first-hand experience with the flavors.

Shiitake – woody, slightly nutty, and pungent

Oyster – slightly like seafood, with mild grainy aroma

Lion’s mane – Subtle and rich; sometimes buttery and slightly citrusy

**Trust:** Unlike most other direct-marketed farm products, forest-grown mushrooms require a high level of confidence in the grower that they are selling something that will not be harmful. Many consumers are very apprehensive about buying mushrooms they do not recognize and do not come from a grocery store.

In this project, we heard directly from consumers phrases like, “These won’t kill me will they?” and “The only reason I am taking these is because I trust that I won’t get sick from them.” As a mushroom grower, you should assume that your customer is a little nervous about the prospect of eating an unfamiliar mushroom. Ease their concerns by sharing reference materials with photos, including your full contact information, and having well-labeled packaging.

**Instruction:** Very few customers will know what to do with forest-grown mushrooms if they buy them. There are many recipes for mushrooms around, but it is more important to provide techniques for preparation, such as sautéing, grilling, saucing, and roasting. Consumers will appreciate other instructive details in writing, such as:

- Keep refrigerated
- Store in paper packaging
- Consume within 1 week of purchase
- Cook and freeze unused portions
- Dehydrate and freeze mushrooms for long-term storage
- Rehydrate 20 – 30 minutes by soaking in warm water or a blend of water and cooking wine

**Purchasing volumes:** Consumers at farm markets are usually purchasing quantities that will be used within the ensuing week, depending on their household size. For mushrooms, this equates to a package size of 2, 4, or 8 ounces. Consumer input regarding quantity during this project was highly variable

and conclusive statements were hard to pin down. Most consumers agreed that they really preferred to cook and serve fresh forest-grown mushrooms within a day or two after obtaining them; they usually agreed that about 1 ounce per meal serving would be plenty of such mushrooms.

**Packaging for sale:** Develop an easily identifiable set of mushroom packages. For example, use all white paper bags or small corrugated cardboard boxes. The label should identify the mushroom, the package weight, the source farm and location, and storage information. Every package you sell should have your contact information clearly marked.

**CSA sales:** People who join CSA farms (Community Supported Agriculture) generally have a greater interest in local food, uncommon fresh farm products, and personal nutrition than most consumers. A CSA is unlikely to buy mushrooms to include in member shares, but the CSA may be willing to allow mushroom sales during share pick-up times. This can be very efficient marketing, and good communication is essential.

## **Part 2: SELLING FOREST-GROWN MUSHROOMS TO INTERMEDIATE CLIENTS: LARGE RESTAURANTS, SMALLER CAFES, AND CATERERS**

Data collection: Over the two-year project Cornell Cooperative Extension distributed locally-sourced forest grown shiitake mushrooms to several intermediate market representatives in Upstate New York. Upon receipt of the sample, the chef or culinary business owner was interviewed to determine the best approaches for a prospective seller. In all cases, the interviewee was aware that Cornell Cooperative Extension was conducting marketing research and provided useful information willingly. Other professional food service personnel were interviewed about forest-grown mushroom purchasing during the project period for a total of 15 sources of qualitative marketing information.

### **Selling forest-grown mushrooms to larger independent restaurants**

Most urban and rural communities have widely-known or historical restaurants. These fine dining establishments often feature time-honored American dishes, multiple-course meals, or banquets. The chefs and owners of these facilities tend to have regular customer who expect a traditional menu. While shiitake and other specialty mushrooms might not have a place on such a menu, it is still worth discussing the merits of forest-grown mushrooms. During interviews with the owners and chefs at these businesses, several key points for potential mushroom sellers were consistently noted:

- Call to arrange an appointment ahead of time if you are a new potential supplier of mushrooms.
- You should plan to speak to the owner and possibly the head chef when introducing your mushrooms. Bring high-quality business cards, a sample of mushrooms, and a written flyer and price sheet.

- Assistant chefs will provide you with as useful feedback as the head chef and they are usually more available to describe the needs of the kitchen.
- Kitchens of larger restaurants are surprisingly crazy places, with many concurrent functions to prepare for an afternoon or evening crowd. Your dependability as a supplier will be appreciated – your orders must be delivered on time, with consistent quality, and will all invoice paperwork completed and ready.
- Find out which produce distributor supplies the restaurant; you may need to make arrangements with the distributor instead of the restaurant itself.
- Unlike direct sales to consumers, chefs do not need to be told what to do with mushrooms.

### **Selling forest-grown mushrooms to smaller independent restaurants**

Although they can be harder to find, the Northeast US has many bistros, cafes, and smaller-scale eateries that focus on fresh food preparation and a diverse and novel menu. A growing proportion of these businesses are sourcing ingredients from regional farms and using the “local food” angle as a competitive edge. During interviews and meetings with proprietors and chefs of smaller restaurants, they brought up a consistent set of instructions for would-be mushroom marketers:

- The mushroom grower needs to maintain good communication. Do not abruptly fall out of touch, even if you have no mushrooms to sell at the moment – let them know when you expect they will be available again and give them a heads-up if anything changes.
- Owners and chefs of smaller restaurants often have menu flexibility and can adjust to the quantity of mushrooms they agree to buy - up or down.
- Most restaurants of this type will have fewer staff changes in staffing or leadership so they are willing to try new things more consistently than facilities with traditional menus. For example, several restaurants indicated they would like to work with forest-grown mushrooms other than shiitake.
- Plan on supplying fresh mushrooms to small restaurants. They can usually get dried mushrooms through their distributor channels very inexpensively.
- The culinary skills and flexibility available in the kitchen of smaller cafes means they can utilize the mushrooms in a variety of ways, such as serving caps in dishes, and then using stems and pieces in soup stocks and gravies.
- At this time, these intermediate buyers are typically paying between \$8.00 - \$12.00 per pound for fresh, local, forest-grown mushrooms and buying 4 – 10 lbs. at a time depending on customer flow.
- The producer who maintains better communication and reliable quality will win their business.
- Unlike direct sales to consumers, chefs do not need to be told what to do with mushrooms.

### **Selling forest-grown mushrooms to caterers**

Although most mushroom growers overlook catering businesses as a market, they can purchase forest-grown mushrooms in ways that restaurants cannot. A few catering

professionals were contacted during this project and had the following suggestions to offer to prospective mushroom marketers:

- Catering businesses have little flexibility, since they tend to produce large meals and need to plan them well in advance. They will not buy mushrooms on short notice.
- Since they produce mass-serving dishes, the appearance of the mushrooms is less important, though they still have to be good quality. Mushrooms with distorted caps or odd-shaped stems are still acceptable.
- Many caterers cook mostly from scratch (compared to semi-prepared packaged foods) and are generally open to creative ideas with oyster and shiitake mushrooms. But ultimately, they will decide what to do with the mushrooms and do not need to be told.
- Dried mushrooms may be acceptable, but the grower should check ahead of time if they intend to substitute or supply dried mushrooms instead of fresh.

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