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Phillips Mushroom Farms see increased demand across all channels

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By

Keith Loria

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Working in the mushroom capital of the world, Kennett Square, PA-based [Phillips Mushroom Farms](#) continues the legacy started by William Phillips, who first started farming mushrooms in the area in 1927.

Since that time, the company has grown to where it now sells more than 57 million mushrooms per year.

“Quality and consistency have been key to our success,” said Sean Steller, director of business development for the company. “Mushrooms are a year-round staple at this point, and consumers expect high-quality mushrooms on the shelf. This means each crop must be managed very carefully, and quality control is extremely important at every stage of production. Our state-of-the-art growing facilities help ensure consistent, high-quality production.”

That includes the company’s brand-new 250,000-square-foot, state-of-the-art mushroom facility, which will help Phillips Mushroom Farms grow even more. The new facility utilizes Dutch growing technology to optimize production using highly automated environmental controls, easy-to-clean shelves and rooms and has a focus on food safety and quality.

“We are excited to use this facility to continue to fuel mushroom category growth,” Steller said. “Retail consumption of mushrooms was up in 2021, largely driven by the pandemic, so this will help keep up with the demand.”

After all, more consumers are looking for healthy, low-calorie, and low-fat options and continue to gravitate towards mushrooms.

“Mushrooms are also a very sustainable crop, utilizing only 1.8 gallons of water to produce one pound of mushrooms,” Steller said. “As consumers think about sustainability and the environment, some will lean into mushrooms as a gentle-on-the-planet option.”

In the year ahead, Steller anticipates specialty mushrooms will continue to grow. Recent data suggests consumers start with white and baby bella mushrooms before expanding purchases to shiitake and oyster.

“The next group of mushrooms include maitake, lion’s mane and royal trumpet — these are all showing increased demand across all channels,” he said.

On the retail front, one of the more innovative strategies recently has been the promoting mushroom items with meat items to encourage blending. That’s helped the category rise as well.

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“The trend to blend continues as consumers love the additional flavor mushrooms add, while decreasing calories, fat, cost, and even environmental impact of an all-meat recipe,” Steller said. “Promoting mushroom items near the meat section usually works best for a pre-sliced item, or the gourmet blend.”

Phillips Mushroom Farms also has made some changes to packaging recently in an attempt to satisfy consumers and reduce the amount of plastic being used.

“We are making packaging a little bit smaller and more efficient in use of space,” Steller said. “We’re working with 100 percent post-consumer recycled plastic for the mushroom retailers themselves. So that’s a huge step in the right direction to reducing the total amount of plastic used in packaging.”

While things are going well at the company, it’s not immune to the challenges that are happening across the entire industry.

“Labor will always be a major challenge for a hand-harvested crop like mushrooms,” Steller said. “We continue to see supply chain disruption related to the pandemic, and long delays for equipment and parts.”

With lion’s mane and maitake gaining in popularity as more consumers learn about the health benefits and unique flavors and organic mushroom consumption also continuing to increase, a strong 2022 season is expected.

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## About Keith Loria |

A graduate of the University of Miami, Keith Loria is a D.C.-based award-winning journalist who has been writing for major publications for close to 20 years on topics as diverse as real estate, food and sports. He started his career with the Associated Press and has held high editorial positions at magazines aimed at healthcare, sports and technology. When not busy writing, he can be found enjoying time with his wife, Patricia, and two daughters, Jordan and Cassidy.

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