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Mushroom category continues upward trajectory

By

Tim Linden

September 28, 2023

Like many other retail produce department items, fresh mushroom sales registered growth during the onset of the pandemic, though that positive result was very much tempered by the foodservice shutdown as that represented a significant decline in sales for the category.

“The pandemic and the lockdown in the foodservice industry was very difficult for the mushroom industry,” said Joe Basciani, chief financial officer of Basciani Foods, based in Avondale, PA. “It was heartbreaking to see the trucks come back to our facility still loaded with product (destined for foodservice operators) that had no home. There was lots of losses over the first couple weeks following the shut down.”

He noted that virtually all of the major producers in the industry have set up their facilities to have consistent weekly output. They can’t turn it off and on. For many weeks, following the lockdowns in mid-March of 2020, millions of pounds of mushrooms had to be dumped. “We lost more than 1 million pounds,” he reported.

As bad as it was, Basciani takes great pride in the resiliency of the American public and American business. Within an eight-to-12-week period, solutions were found and many restaurants were able to keep their businesses afloat offering takeout service. “We saw a major recovery in foodservice business over the past couple of years,” he said.

He added that because mushrooms are a healthy food option, the category performed very well at retail during that time period as consumers took to their kitchens and began cooking at an accelerated rate. Basciani said the mushroom industry continues to enjoy a good reputation and increasing sales.

Anne-Marie Roerink, principal and founder of 210 Analytics, which works with the Mushroom Council offering retail analysis, agreed.

“During the early months of the pandemic, mushroom retail sales increases were higher than all fresh vegetable sales increases,” said Roerink. “Sales are no longer trending at these year-over-year highs, but they still continue to be strong.”

Taking a deeper dive into sales, Roerink revealed there are many areas of growth within the mushroom category. “For instance, organic mushrooms are outgrowing total mushrooms, much like certain specialty varieties like Shiitake,” she said, noting that organic mushrooms now make up more than 10 percent of sales. “Retailers also are realizing growth from stuffed mushrooms merchandised in the produce, deli and meat departments.”

While these specialty products do create a buzz and incremental sales growth, it is still the traditional white button mushroom that is the category leader. “White mushrooms make up the vast majority of dollars and even more so in pounds. Often retailed at a slightly lower price than Crimini/brown mushrooms, the volume share is upwards of 60 percent,” Roerink said. “This percentage was much higher for whites 10 years ago, but Crimini mushrooms over time have increased their share. Oftentimes, new mushroom consumers and those who purchase them infrequently purchase white mushrooms first whereas foodies over index for specialty and/or exotic mushrooms.”

Discussing the growth drivers for the category, she pointed to the versatility of mushrooms as a key attribute.

“Mushrooms are so versatile that, regardless of which cuisine is trending in foodservice, mushrooms are part of it. The same thing is true in retail. Many fruits and vegetables have strong seasonality, but the mushroom is a solid performer any time of the year,” Roerink said.

While consumption is somewhat stronger in the winter months as consumers move to stews, soups and other hearty dishes, sales prove that interest in mushrooms remains strong throughout the year. “Boomers and Gen X are the biggest mushroom lovers and Gen Z and millennials are integrating different ways of purchasing and consuming mushrooms with the oven-ready stuffed mushroom offerings, kebabs and home meal replacement offerings,” she said.

Roerink added that mushrooms perform well at retail all year long without getting the promotional boost that often comes with more seasonal items. “Generally speaking, produce, especially fruit, is a very highly promoted category with 30-40 percent of dollars and pounds coming during sales promotions,” she said. “Mushrooms are much lower at about 20 percent, and that has everything to do with the lack of short seasons. For instance, an item like a cherry has a very short selling season and therefore you see it prominently promoted in the ad, in prime retail space, etc.”

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About Tim Linden |

Tim Linden grew up in a produce family as both his father and grandfather spent their business careers on the wholesale terminal markets in San Francisco and Los Angeles.

Tim graduated from San Diego State University in 1974 with a degree in journalism. Shortly thereafter he began his career at The Packer where he stayed for eight years, leaving in 1983 to join Western Growers as editor of its monthly magazine. In 1986, Tim launched Champ Publishing as an agricultural publishing specialty company.

Today he is a contract publisher for several trade associations and writes extensively on all aspects of the produce business. He began writing for The Produce News in 1997, and currently wears the title of Editor at Large.

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