

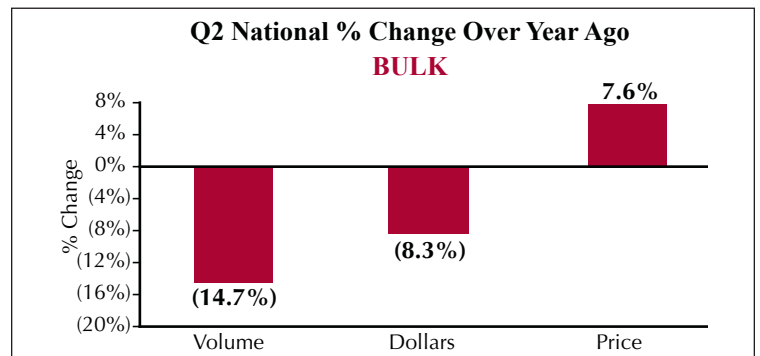
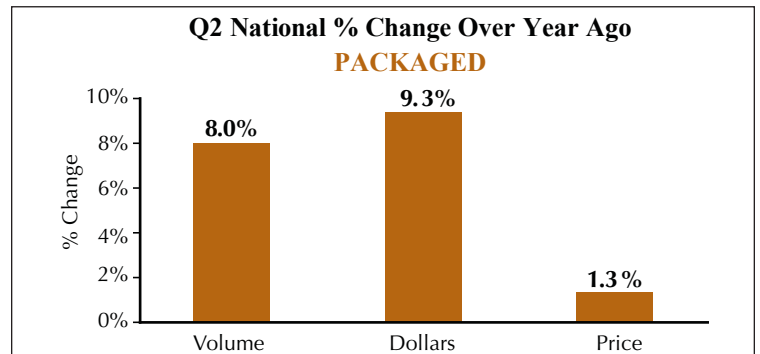
Looking Ahead Q2 2004

When Easter occurs in the second quarter as it does this year, the mushroom category gets an added boost during the month of April. In past years, sales tended to drop off in March and, aside from the Easter, Memorial Day and Father's Day, decline through the summer. Thus, a strategic goal for the mushroom category in the second quarter could be to counteract the past category decline. Look to increase sales levels in the category until the start of the summer grilling season by using holiday promotions as a springboard. Retailers could highlight specialty mushrooms near the Easter holiday to take advantage of consumers interested in preparing special gourmet meals.

National Trends

Nationally in Q2 2003, the volume of packaged mushrooms increased 8 percent while dollar sales decreased 9.3 percent. Bulk mushrooms decreased 14.7 percent in volume and 8.3 percent in dollar sales.

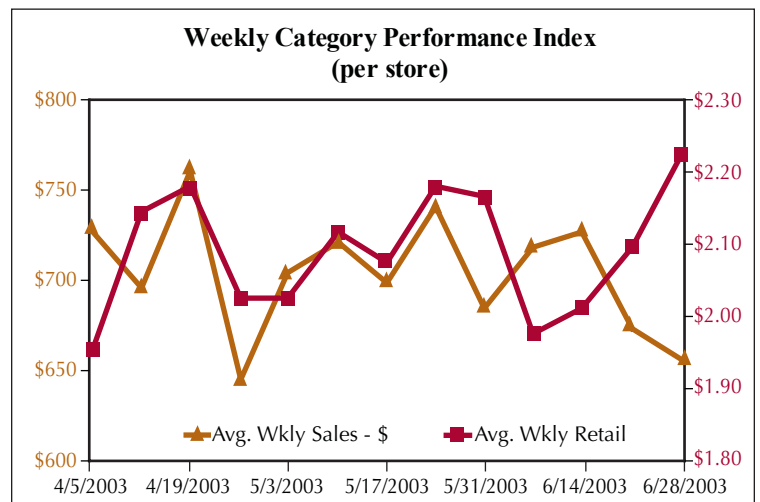
Observation: Given that the two major holidays during Q2 are occasions for group entertaining, retailers could promote bulk and packaged specialty mushrooms for Easter, such as the Crimini, Shiitake, Enoki and Oyster varieties. Grilling options, such as whites and Portabellas, for Memorial Day and Father's Day can further emphasize the category. Promotional emphasis on packaged whole and sliced mushrooms is important to capture consumers looking for convenience and those creating veggie trays for holiday entertaining.



Weekly Sales Q2 2003

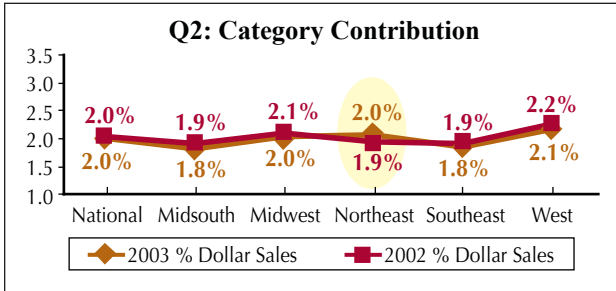
Sales peak slightly near the holidays, but dip drastically during the off-weeks.

Observation: The opportunity in Q2 2004 is to focus mushroom promotions on the weeks between the holidays, and ease up on holiday week promotions since consumers are more likely to purchase mushrooms for their celebrations.



Looking Ahead Q2 2004 (continued)

Category Contribution (Dollars)



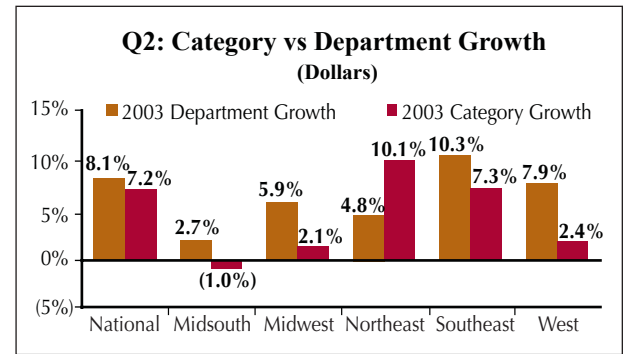
Category dollar contribution declined vs. 2002 in all regions except the Northeast for second quarter.

Observation: Opportunities exist to improve mushroom category contribution to overall department dollars by raising the category profile in the department and gaining year-round consumers. Retailers can achieve this by coordinating POP, promotion, and secondary locations throughout the quarter to catch consumers' attention.

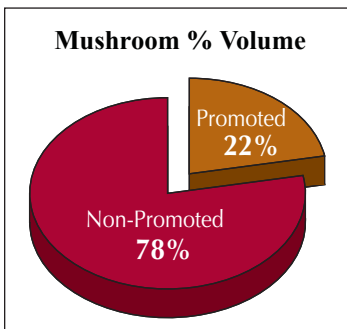
Category vs. Department Growth (Dollars)

During Q2 2003, produce dollar sales increased at a faster rate than mushroom sales in all regions except the Northeast. Department dollar growth is out-pacing mushroom dollar growth by 0.9 percentage points nationally. The Northeast posted the largest Q2 category dollar growth at 10.1 percent by focusing and improving upon brown and dried mushroom sales.

Observation: Regionally, the Midsouth has the largest opportunity gap for improvement from the decline of bulk sales and a loss of focus on the mushroom category.

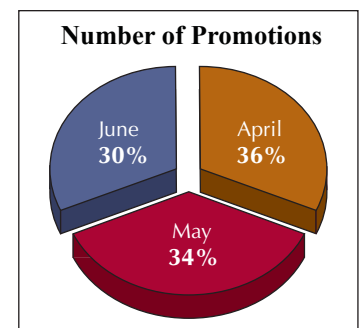
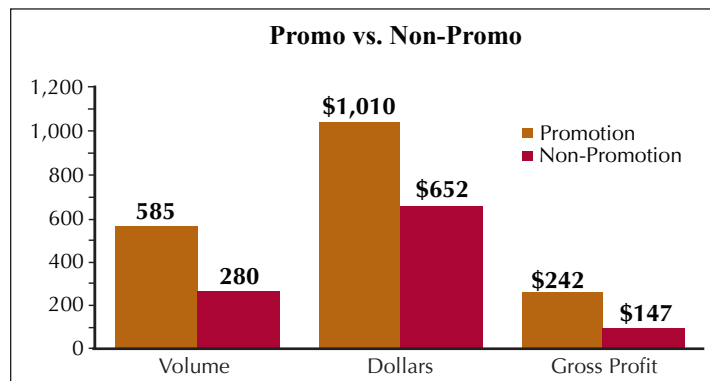


Promotions (9 Retailer Composite)



In Q2 2003, 22 percent of volume was generated by promotions.

The average promotional discount on mushrooms was 12 percent in Q2, and on average, volume more than doubled when mushrooms were promoted. The average non-promoted retail price was \$2.25 compared to \$1.98 on promotion.



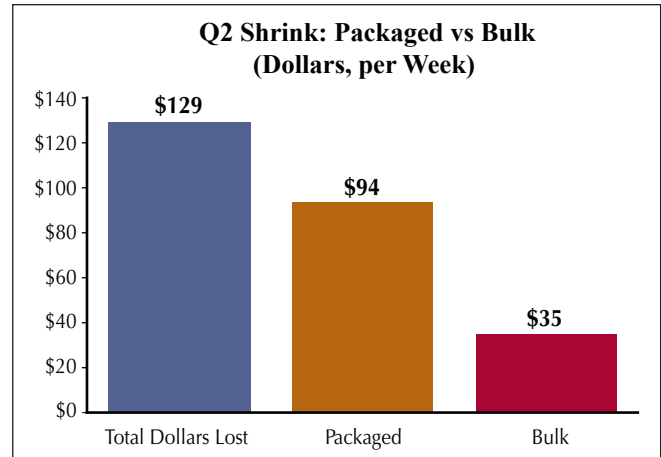
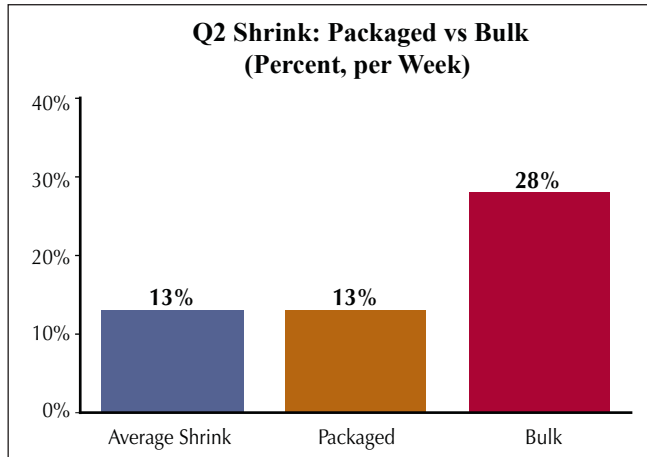
When looking at specific months, 36 percent of the promotions in Q2 2003 ran in April, followed by May (34 percent) and June (30 percent).

Observation: There is an opportunity to feature specialty mushrooms, such as Portabella, Crimini, Shiitake, Enoki and Oyster varieties, during the entertaining and grilling season.

Looking Ahead Q2 2004 (continued)
Shrink (4 Retailer Composite)

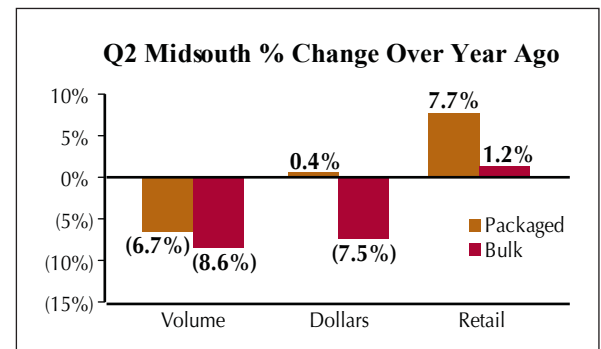
While the bulk shrink percentage is significantly higher than packaged, packaged shrink is still driving the highest overall shrink dollars (\$94 versus \$35 dollars). Top performing stores realize a mushroom category shrink between 10 percent and 12 percent.

Observation: By focusing on specialty mushrooms, which are generally slower moving items, overall shrink percentages could decline during the second quarter.

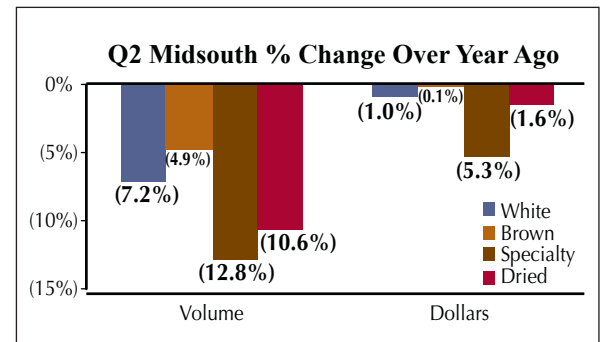

Looking at Regional Opportunities
Midsouth

Overall, volume and dollar sales decreased in the bulk segment, while packaged dollars increased. All subcategories declined in volume and dollar sales over year ago. All of the top five items showed declines in the category.

Learning: the Midsouth has opportunities for improvement in all segments and subcategories, especially the 8 ounce packaged sizes.



Top Five Items	Volume 2002	Volume 2003	% Change
Packaged White Whole 8 ounce	95	83	(12.7%)
Packaged White Sliced 8 ounce	59	54	(8.0%)
Packaged White Sliced	36	33	(8.7%)
Packaged Italian Brown/Crimini	25	22	(13.0%)
Bulk Large White	24	21	(10.4%)

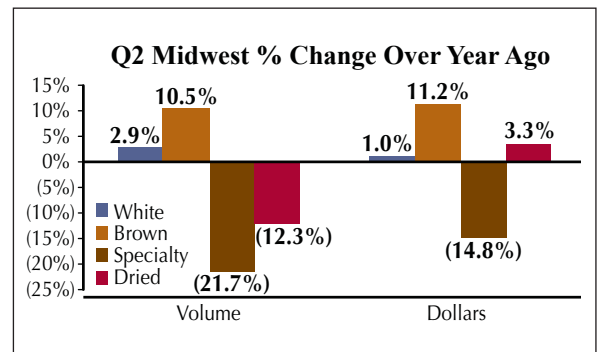
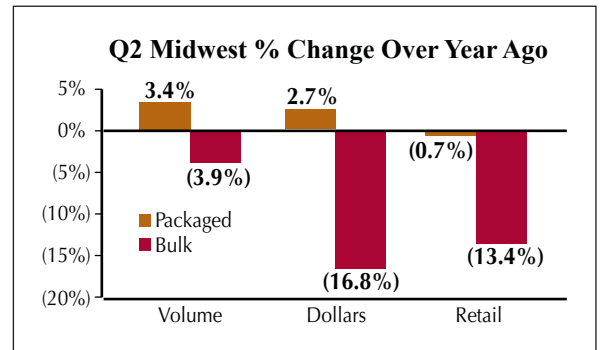


Looking at Regional Opportunities (continued)
Midwest

Overall, volume and dollar sales increased in the packaged segment, but declined in the bulk segment. Volume and dollar sales increased in white and brown mushrooms, while dollar sales increased in dried mushroom segment as well. Three (packaged whole white mushrooms) of the top five items showed declines in the category, however the packaged white sliced mushrooms increased substantially over last year.

Learning: While brown mushrooms did well in the Midwest, there are opportunities to improve specialty and dried mushroom subcategory sales.

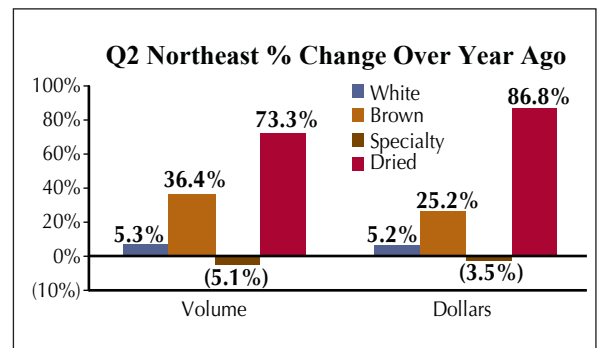
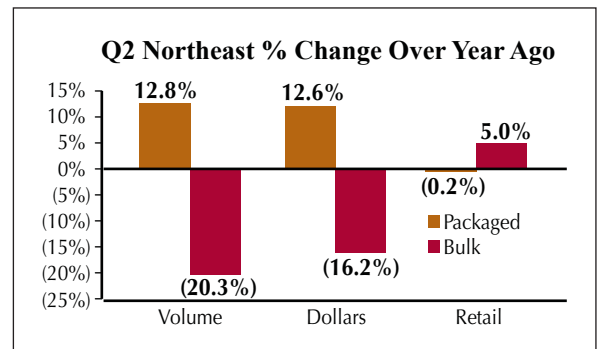
Top Five Items	Volume 2002	Volume 2003	% Change
Packaged White Sliced 8 ounce	98	107	9.1%
Packaged White Whole 8 ounce	106	100	(5.7%)
Packaged White Whole 16 ounce	30	38	23.2%
Packaged White Whole 12 ounce	17	17	(0.2%)
Packaged Sliced Portabella	13	13	1.2%


Northeast

Overall, volume and dollar sales increased in the packaged segment, but declined in the bulk segment. Volume and dollar sales increased in all subcategories. The top item (packaged whole white mushrooms) showed a decline in the category, while the packaged white sliced and packaged sliced Portabella increased substantially over last year.

Learning: While white, brown, and dried mushrooms did well in the Northeast, there is an opportunity to improve specialty mushroom subcategory sales.

Top Five Items	Volume 2002	Volume 2003	% Change
Packaged White Whole 8 ounce	149	141	(5.1%)
Packaged White Sliced 8 ounce	78	101	29.0%
Packaged White Sliced 10 ounce	50	56	12.0%
Packaged Sliced Baby Portabella	5	32	557.8%
Packaged Baby Portabella	23	25	9.7%

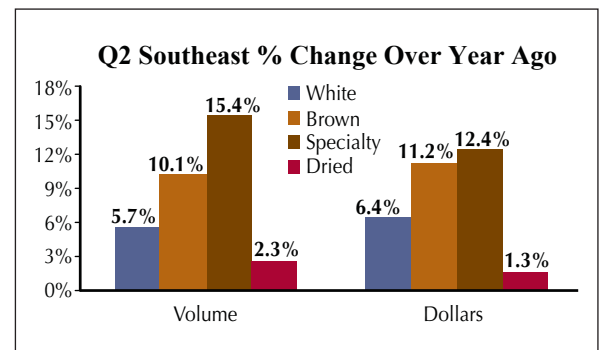
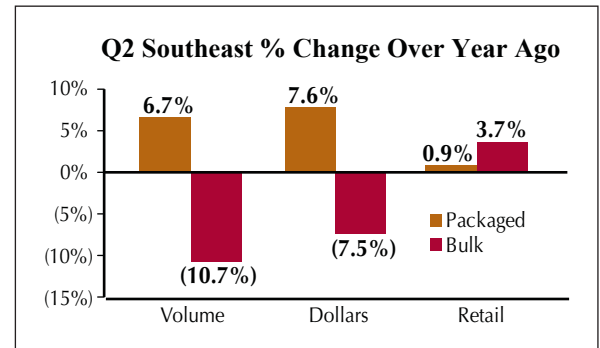


Regional Opportunities (continued)
Southeast

Overall, volume and dollar sales increased in the packaged segment, but decreased in the bulk segment. Volume and dollar sales increased in all subcategories. Four (including packaged whole and sliced white mushroom items and sliced baby Portabella) of the top five items showed declines in the category, while the packaged sliced baby Portabella item increased substantially over last year.

Learning: Overall, the mushroom category did fairly well in the Southeast however the second item in the category (whole white 8oz) showed a decline vs. year ago.

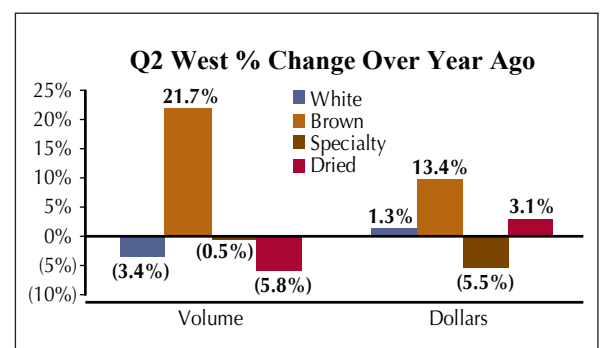
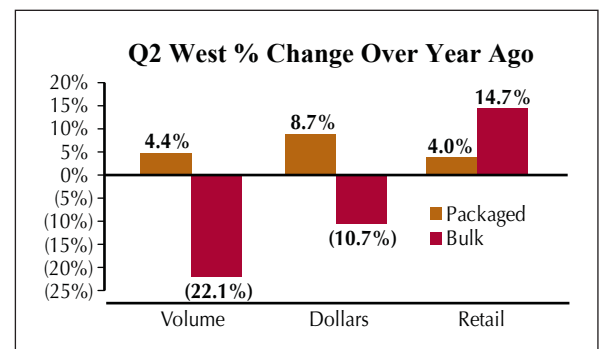
Top Five Items	Volume 2002	Volume 2003	% Change
Packaged White Sliced 8 ounce	62	70	12.8%
Packaged White Whole 8 ounce	58	54	(5.9%)
Packaged White Whole 16 ounce	13	13	4.1%
Packaged White Sliced 12 ounce	8	10	25.4%
Packaged Sliced Portabella	7	8	12.7%


West

Overall, volume and dollar sales decreased in the bulk segment, but increased in the packaged segment. Volume and dollar sales increased in brown mushrooms. Two (packaged and bulk white mushrooms) of the top five items showed declines in the category, while the packaged white whole and Portabella increased substantially over last year.

Learning: While brown mushrooms did well in the West, both packaged and bulk segments could improve in the white, specialty and dried subcategories.

Top Five Items	Volume 2002	Volume 2003	% Change
Packaged White Sliced 8 ounce	115	122	6.0%
Packaged White Whole 8 ounce	98	92	(5.8%)
Bulk White Large	55	46	(17.4%)
Packaged White Sliced 6 ounce	17	22	23.2%
Bulk Italian Brown/Crimini	5	5	6.2%



2nd Quarter Weekly Performance

(Dollars, Volume and Retails)

Nationally, packaged mushroom volume increased in Q2 of 2003 and bulk volume decreased versus year ago. None of the regions showed an increase in bulk volume between Q2 2002 and Q2 2003. The Northeast had the largest packaged volume gains over 2002 leading all regions followed by the Midwest region. The packaged retail price increased in all regions except the Midwest and Northeast.

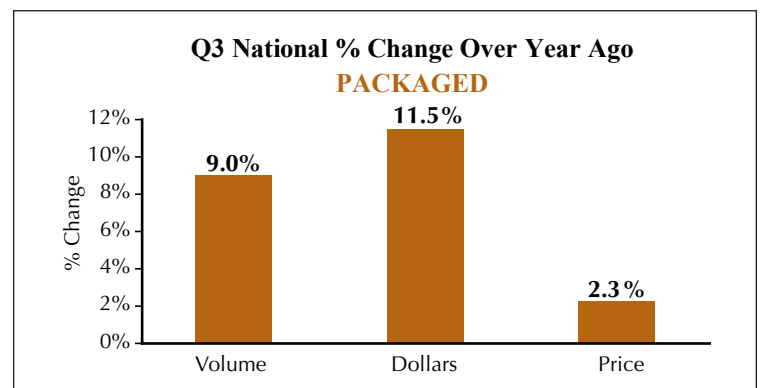
2nd Quarter Average Weekly Performance: By Store/By Region										
		VOLUME			DOLLAR SALES			UNIT PRICE		
Region	Packaging	Prior Year 2002	This Year 2003	% Change	Prior Year 2002	This Year 2003	% Change	Prior Year 2002	This Year 2003	% Change
National	Packaged	292	315	8.0%	\$575	\$629	9.3%	\$1.97	\$2.00	1.3%
	Bulk	26	22	(14.7%)	\$81	\$75	(8.3%)	\$3.12	\$3.35	7.6%
Midsouth	Packaged	259	241	(6.7%)	\$475	\$478	0.4%	\$1.84	\$1.98	7.7%
	Bulk	32	29	(8.6%)	\$104	\$97	(7.5%)	\$3.25	\$3.29	1.2%
Midwest	Packaged	320	331	3.4%	\$665	\$683	2.7%	\$2.08	\$2.06	(0.7%)
	Bulk	6	6	(3.9%)	\$22	\$18	(16.8%)	\$3.76	\$3.26	(13.4%)
Northeast	Packaged	430	486	12.8%	\$845	\$952	12.6%	\$1.96	\$1.96	(0.2%)
	Bulk	25	20	(20.3%)	\$81	\$68	(16.2%)	\$3.21	\$3.37	5.0%
Southeast	Packaged	181	193	6.7%	\$365	\$393	7.6%	\$2.02	\$2.04	0.9%
	Bulk	2	2	(10.7%)	\$8	\$8	(7.5%)	\$3.52	\$3.65	3.7%
West	Packaged	253	264	4.4%	\$475	\$516	8.7%	\$1.88	\$1.96	4.0%
	Bulk	78	61	(22.1%)	\$228	\$204	(10.7%)	\$2.91	\$3.34	14.7%

Q3 2003 Review

In the past, mushroom sales typically dip during the third quarter, despite the opportunities to capitalize on the summer grilling season, lighter eating trends and the popularity of fresh salads during the quarter. Thus, the challenge is to maintain spring sales levels throughout the entire summer. In 2003, the mushroom category made some strides towards this goal. Nationally in Q3 2003, mushroom dollar sales and volume were up, compared to Q3 2002, however, category contribution to department remained flat.

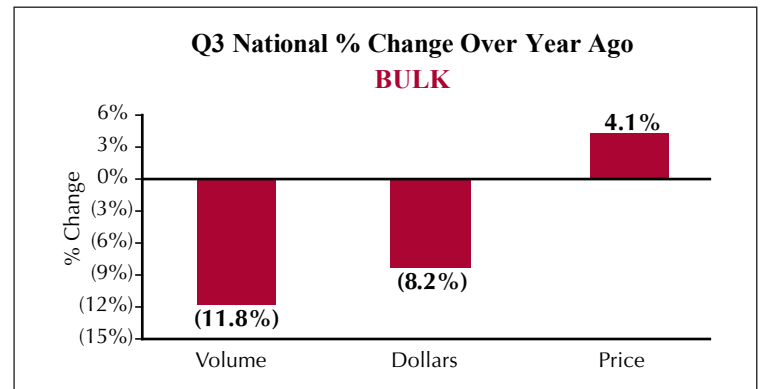
National Trends

In Q3 2003, the volume of packaged mushrooms increased 9 percent, while dollar sales and average retail price were up 11.5 percent and 2.3 percent respectively.

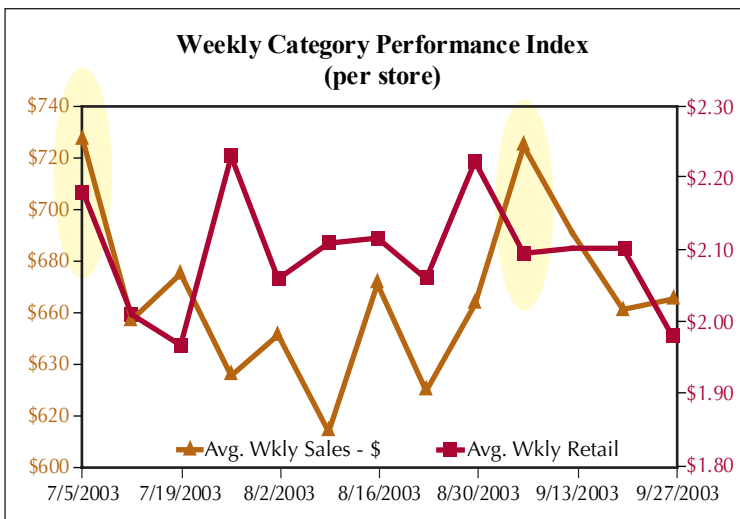


Q3 2003 Review (continued)
National Trends (continued)

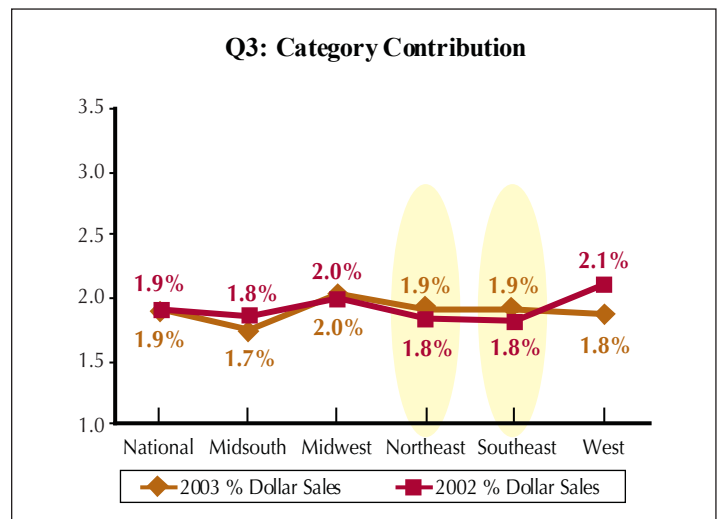
The largest decline in volume occurred in the bulk segment with volume down almost 12 percent, dollar sales down over 8 percent with average retail price increasing almost 4 percent. These trends reveal that a focus on the bulk segment in Q3 could reverse the current erosion of bulk category share. Consumers are looking for convenience as they add mushrooms to their summer meals so the emphasis on the packaged segment should be maintained.


Weekly Sales Q3 2003

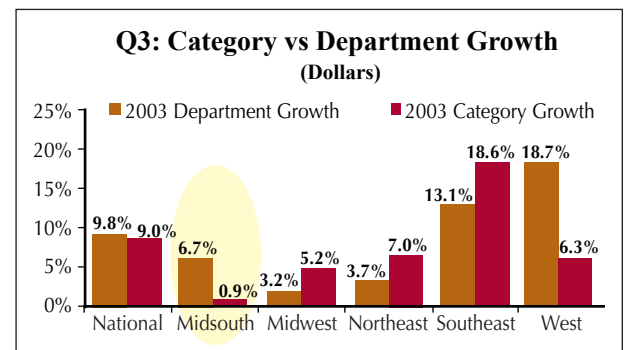
The first week of July had the highest overall dollar sales for the quarter as it was driven by Fourth of July holiday sales, followed by the first week in September (driven by Labor Day holiday sales).


Category Contribution (Dollars)

In 2003, the Northeast and Southeast gained dollar share whereas all other regions either maintained or lost dollar share.

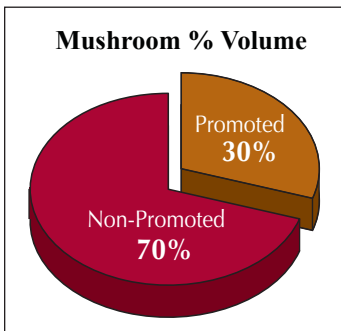

Category vs. Department Growth (Dollars)

During Q3 2003, produce department dollar sales increased at a faster rate than mushroom dollar sales in all regions except the Midsouth and West. Department dollar growth is out-pacing mushroom dollar growth by 0.8 percent nationally. The Southeast posted the largest Q3 category dollar growth at 18.6 percent, a complete turnaround from 2002 when the Southeast had the largest gap in mushroom sales. Regionally, the Midsouth has the largest growth opportunity where brown mushroom dollar growth both declined 3.4 percent in the Q3 2003.

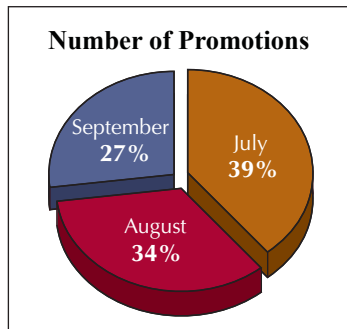


Q3 2003 Review (continued)

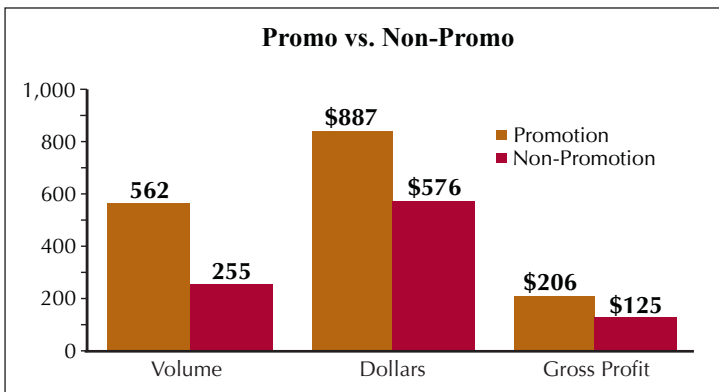
Q3 Promotions (9 Retailer Composite)



In Q3 2003, 30 percent of volume was generated by promotions, which is on target for the recommended volume driven percentage from promotions.



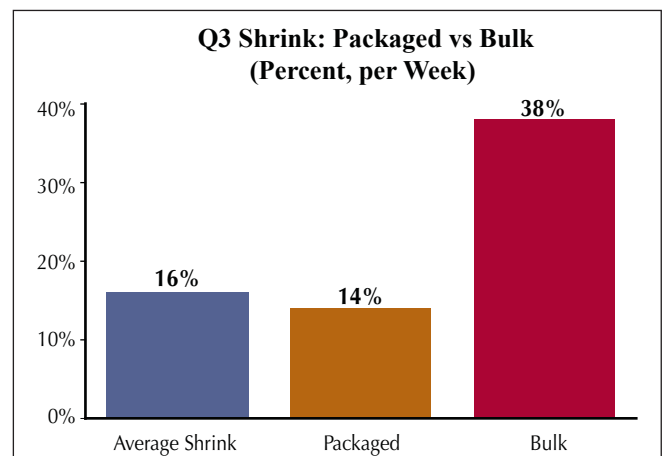
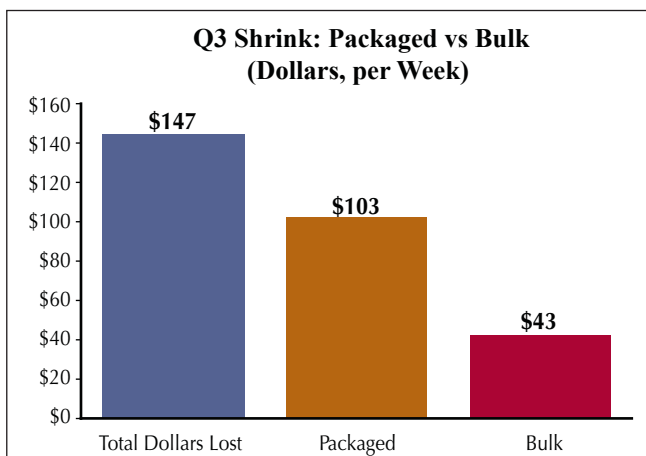
The highest concentration of ads came during July, when an average of two ads were run per month. 95 percent of those ads featured packaged mushrooms.



More than twice as much mushroom volume was sold on promotion as the volume sold without promotion, and the average retail promotional price was \$1.74 versus \$2.27 non-promoted. Top performing stores utilize promotions to drive incremental volume and dollar sales emphasizing all four subcategories with six to seven ads during the third quarter.

Q3 2003 Shrink (4 Retailer Composite)

Overall shrink was 16 percent in Q3 2003, which translates to an average loss of \$147 per week per store. While bulk shrink is significantly higher than packaged, packaged is still driving the highest overall shrink (\$103 versus \$43 dollars). By continuing to highlight the category through fall promotions, overall shrink percentages could decline. Top performing stores realize a mushroom category shrink between 10 percent and 12 percent.



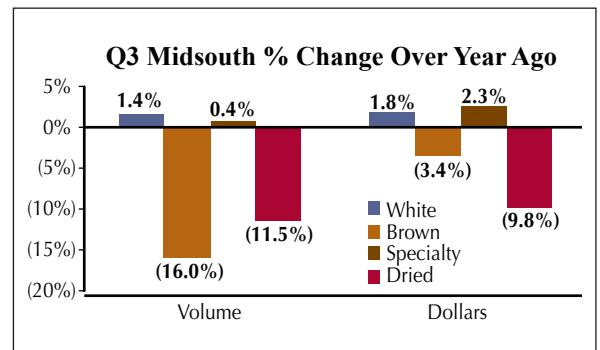
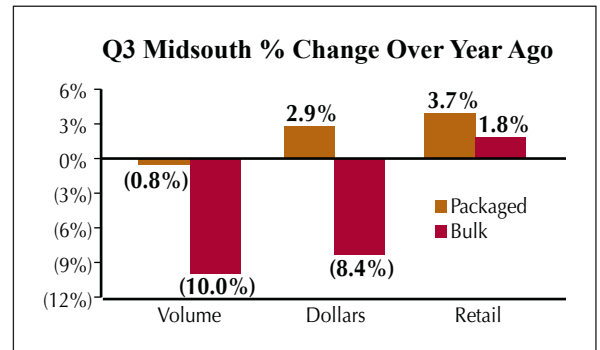
Looking at Regional Opportunities

Midsouth

In the Midsouth, dollar sales increased in the packaged segment, with growth in the white and specialty subcategories. However, while three of the top five items showed declines in the category, the white sliced items increased substantially over last year.

Learning: The Midsouth grew its specialty and convenience mushroom items.

Top Five Items	Volume 2002	Volume 2003	% Change
Packaged White Whole 8 ounce	93	92	(1.1%)
Packaged White Sliced 8 ounce	60	63	4.9%
Packaged White Sliced	29	34	17.5%
Packaged Italian Brown/Crimini	30	23	(24.3%)
Bulk White Large	22	20	(6.9%)

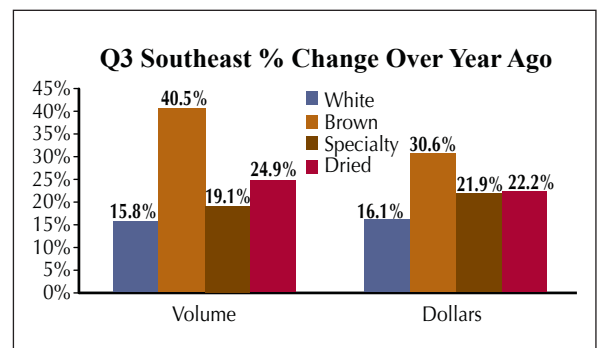
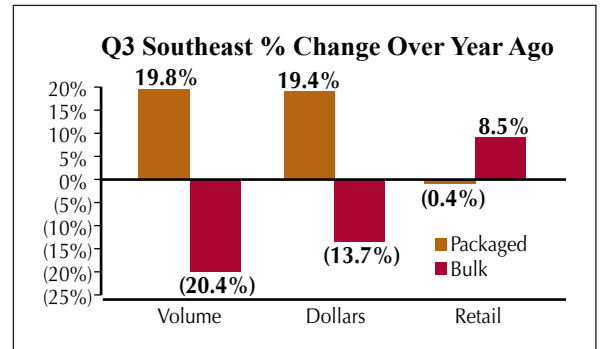


Southeast

Packaged mushrooms made significant gains in volume and dollars during Q3 2003 in the Southeast. The region performed well all subcategories, though one of the five top items showed a slight decline (packaged white whole).

Learning: The Southeast grew the category by focusing on packaged and brown mushrooms.

Top Five Items	Volume 2002	Volume 2003	% Change
Packaged White Sliced 8 ounce	53	68	27.2%
Packaged White Whole 8 ounce	53	53	(1.6%)
Packaged White Whole 16 ounce	10	14	32.8%
Packaged White Sliced 12 ounce	7	9	40.6%
Bulk Sliced Baby Portabella	5	9	94.3%

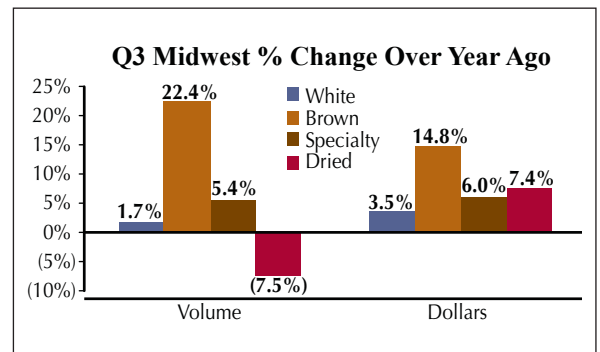
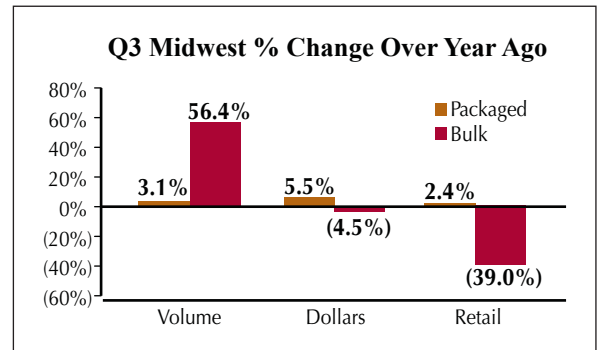


Looking at Regional Opportunities (continued)
Midwest

Both packaged and bulk mushroom volume grew in the Midwest region. Dried mushrooms declined in volume, while all other subcategories increased in volume and dollar sales. One of the top five items (white whole 16 ounce) showed a decline.

Learning: While 16 ounce whole mushroom volume decreased, the increase in the smaller packaged segment was enough to carry the category.

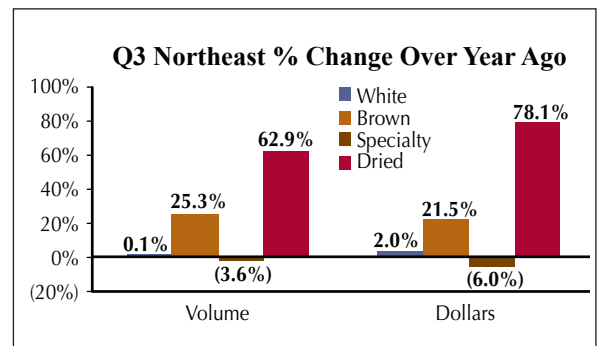
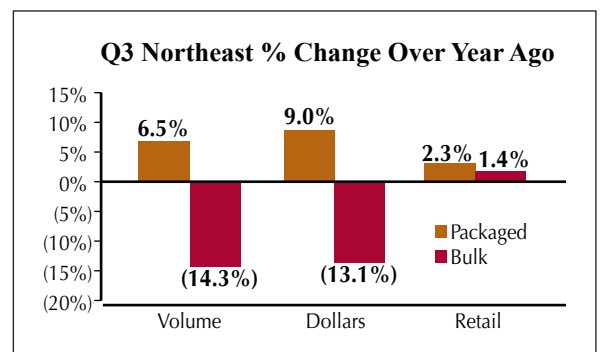
Top Five Items	Volume 2002	Volume 2003	% Change
Packaged White Whole 8 ounce	106	111	4.4%
Packaged White Sliced 8 ounce	105	105	0.4%
Packaged White Whole 16 ounce	26	25	(3.8%)
Packaged White Whole 12 ounce	16	16	4.0%
Packaged Sliced Portabella	11	12	4.4%


Northeast

Northeast category contribution increased 0.1 percent over 2002 levels. Packaged mushroom volume and dollar sales increased in Q3 2003 by 6.5 percent and 9 percent respectively. The greatest gains came in the dried subcategory. The top item (white whole 8 ounce) declined more than 4 percent, though the other top four items increased substantially over Q3 2002.

Learning: Growth from the top sellers will ensure that mushroom sales will continue to increase.

Top Five Items	Volume 2002	Volume 2003	% Change
Packaged White Whole 8 ounce	123	118	(4.2%)
Packaged White Sliced 8 ounce	71	83	16.4%
Packaged White Sliced 10 ounce	47	50	6.7%
Packaged Sliced Baby Portabella	8	30	279.5%
Packaged Baby Portabella	21	24	16.2%

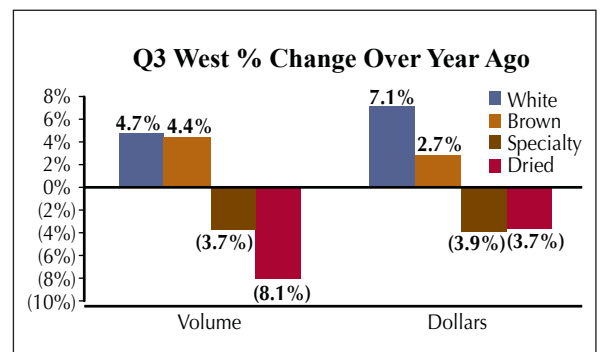
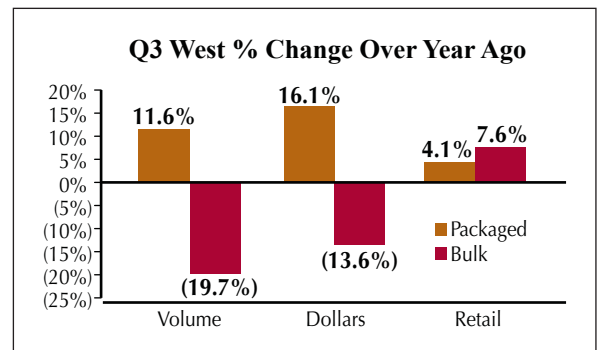


Regional Opportunities (continued)
West

Bulk average retail price increased almost 8 percent in 2003 in the West region, though bulk volume and dollar sales were down. The white and brown subcategories were the only segment growing in both volume and dollar sales. While there are two bulk items in the top five, both declined in volume compared to Q2 2002.

Learning: As with all regions, focusing on the top SKUs with heavier promotions and continuing to promote the outlying items as part of multiple-item promotions could help the category.

Top Five Items	Volume 2002	Volume 2003	% Change
Packaged White Sliced 8 ounce	110	121	10.2%
Packaged White Whole 8 ounce	85	90	6.4%
Bulk White Large	51	41	(19.3%)
Packaged White Sliced 6 ounce	16	22	35.1%
Bulk Italian Brown/Crimini	5	5	(9.7%)

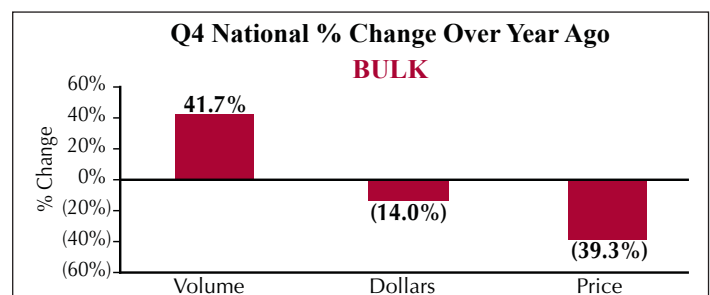
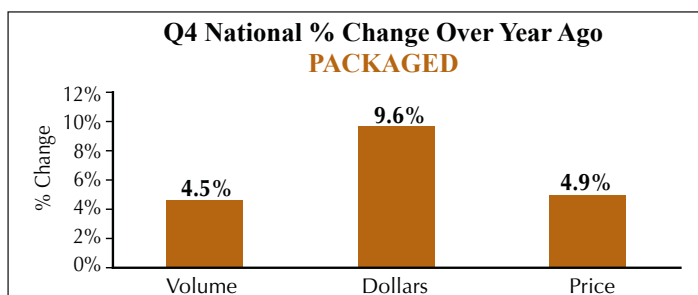

Q4 2003 Review

Historically, mushrooms do very well during fourth quarter after the summer season. The mushroom category is challenged to kick start the category's momentum in October. The category is sustained by the holiday eating occasions in November and December which retailers can use to educate consumers about specialty mushrooms for gourmet entertaining.

National Trends

Nationally in Q4 2003, the volume of packaged mushrooms increased more than 5 percent while dollar sales increased 9.3 percent. Bulk mushrooms also increased 41.7 percent in volume, but decreased 14 percent in dollar sales. The average retail price was up 2.7 percent for packaged mushrooms and 3.9 percent for bulk mushrooms.

Observation: Emphasis was on the packaged segment, however retailers also focused on exposing consumers to bulk mushrooms, as evidenced by the price drop and high volumes observed in Q4.

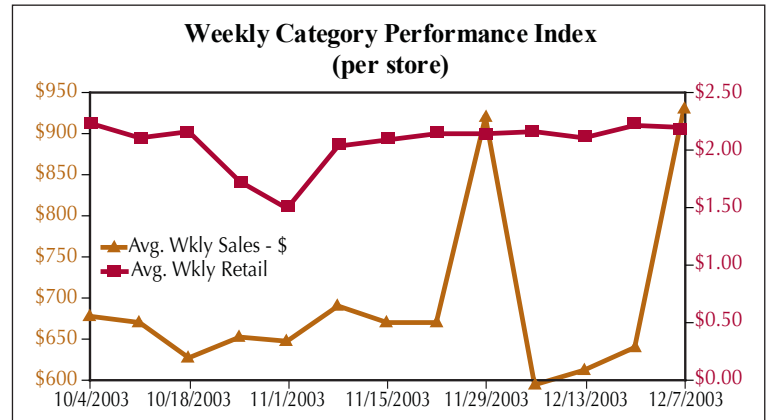


Q4 2003 Review (continued)

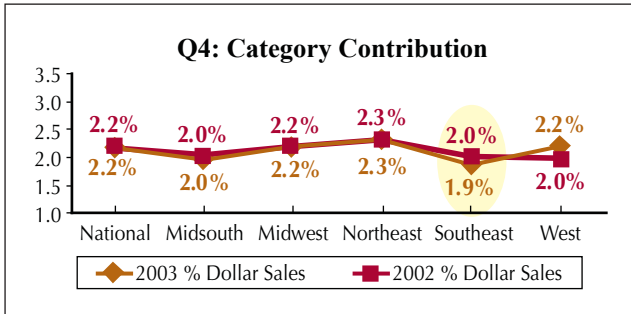
Weekly Sales Q4 2002

Sales peak slightly in late November and late December, corresponding to the holidays.

Observation: Retail price dipped before the holidays, indicating that retailers tried to jump start the category with promotions in late October and early November.



Category Contribution (Dollars)



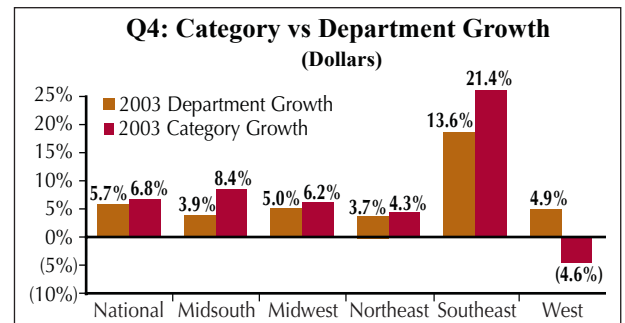
Category dollar contribution remained flat vs. 2002 in all regions except the Southeast during the fourth quarter.

Observation: Opportunities exist to improve mushroom category contribution to the overall department dollar sales when retailers raise the category profile in the department to gain year-round consumers.

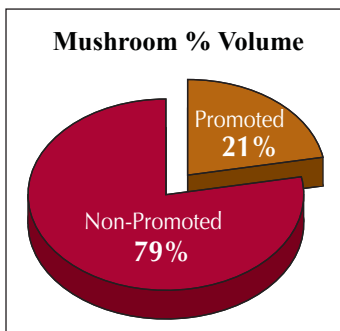
Category vs. Department Growth (Dollars)

During Q4 2003, mushroom sales outpaced produce department growth in all regions except the West. Mushroom dollar growth is out-pacing department dollar growth by 1.1 percent nationally. The Southeast posted the largest Q4 category dollar growth at 21.4 percent by focusing and improving upon both white and brown packaged mushroom sales.

Observation: Regionally, the West has the largest opportunity for improvement in 2004 where all subcategory mushroom dollar growth declined in Q4 2003.



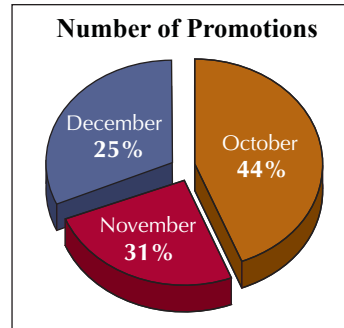
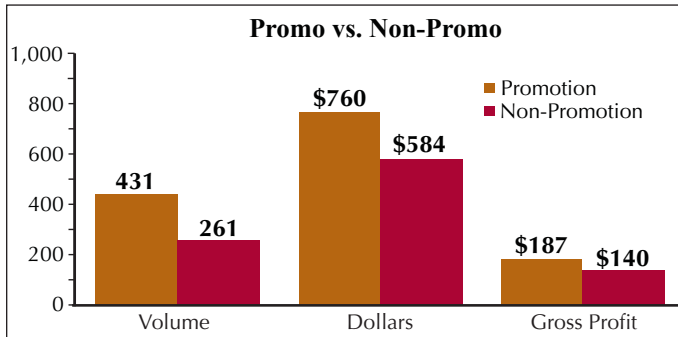
Q4 Promotions (9 Retailer Composite)



In Q4 2003, 21 percent of volume was generated by promotions, however only 5 percent of promotions featured bulk product.

Q4 2003 Review (continued)
Q4 Promotions (9 Retailer Composite)

On average, volume increased more than 1.5 times when mushrooms were promoted. Positive increases were also seen in dollar sales (1.3 times) and gross profit (1.3 times). The average promotional discount on mushrooms was 23% in Q4. Average non-promoted retail price was \$2.26 compared to \$1.74 promotional price.



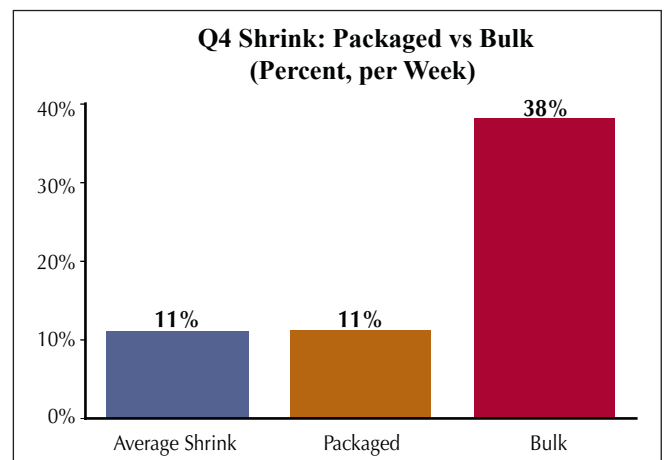
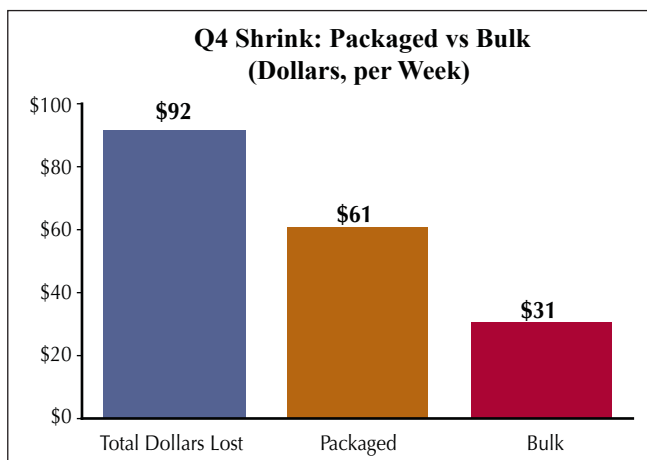
In looking at specific months, 44 percent of the promotions in Q4 2003 ran in October, followed by November (31 percent) and December (25 percent).

Observation: Retailers can jump start holiday sales by promoting mushrooms in October and not promoting as heavily during the holidays as consumers already have mushrooms on their shopping lists.

Q4 2003 Shrink (4 Retailer Composite)

While the bulk shrink percentage is significantly higher than packaged, packaged shrink is still driving the highest overall shrink dollars (\$61 dollars versus \$31 dollars).

Observation: By continuing to highlight the category through winter promotions, overall shrink percentages could decline. Top performing stores have a mushroom category shrink between 10 percent and 12 percent.



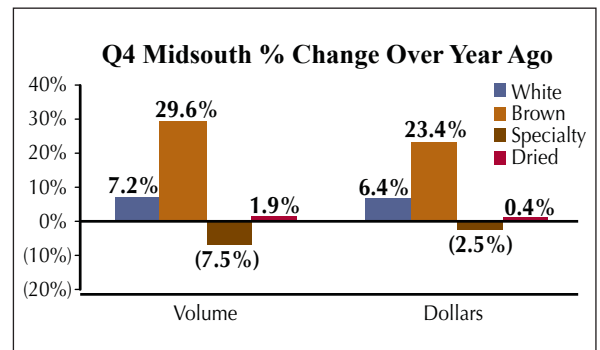
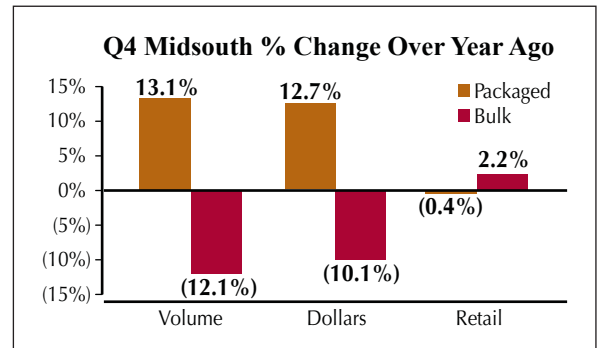
Looking at Regional Opportunities

Midsouth

Overall, volume and dollar sales decreased in the packaged segment with declines in the specialty subcategory over year ago. One of the top five items showed a decline in the category (bulk whites), while the 8 ounce packaged white whole and sliced and the packaged Italian Brown/Crimini increased substantially over last year.

Learning: The Midsouth could improve sales in the bulk segment and most of the specialty mushroom subcategory.

Top Five Items	Volume 2002	Volume 2003	% Change
Packaged White Whole 8 ounce	77	87	13.1%
Packaged White Sliced 8 ounce	53	67	25.0%
Packaged White Sliced	33	37	11.3%
Packaged Italian Brown/Crimini	25	33	34.3%
Bulk White Large	23	21	(6.7%)

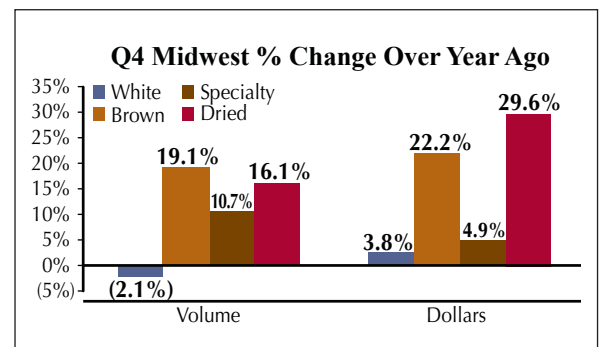
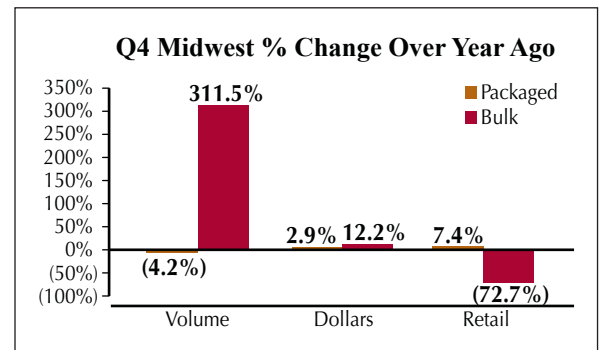


Midwest

Overall, volume and dollar sales increased in the bulk segment, but volume declined in the packaged segment. Volume increased in all subcategories except white mushrooms. Two (8 ounce packaged white sliced and 16 ounce packaged whole white mushrooms) of the top five items showed declines in the category, while the bulk white large increased substantially over last year.

Learning: While bulk mushrooms did well in the Midwest, there are opportunities to improve the packaged white subcategories.

Top Five Items	Volume 2002	Volume 2003	% Change
Packaged White Whole 8 ounce	105	105	0.4%
Packaged White Sliced 8 ounce	110	97	(11.8%)
Packaged White Whole 16 ounce	46	20	(55.9%)
Packaged White Whole	--	17	
Bulk White Large	3	17	561.8%

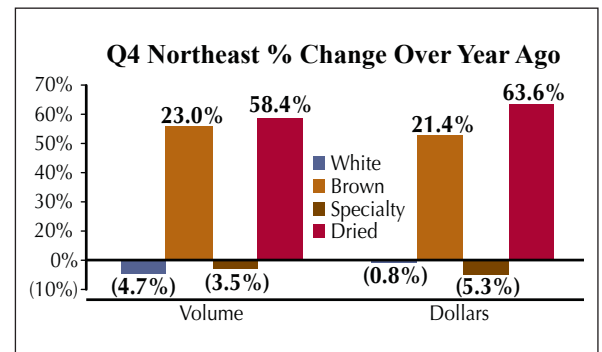
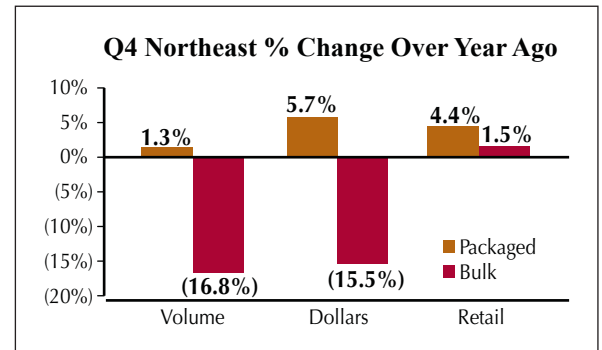


Looking at Regional Opportunities (continued)
Northeast

Overall, volume and dollar sales increased in the packaged segment, but declined in the bulk segment. Volume and dollar sales decreased in white and specialty mushrooms. Two (16 ounce packaged whole white mushrooms and 10 ounce packaged white sliced mushrooms) of the top five items showed declines in the category, while the packaged white sliced and packaged sliced baby Portabella increased substantially over last year.

Learning: While packaged mushrooms did well in the Northeast, there are opportunities to improve the bulk, white and specialty subcategories.

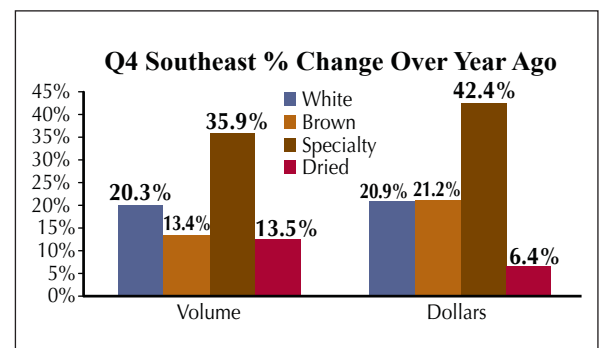
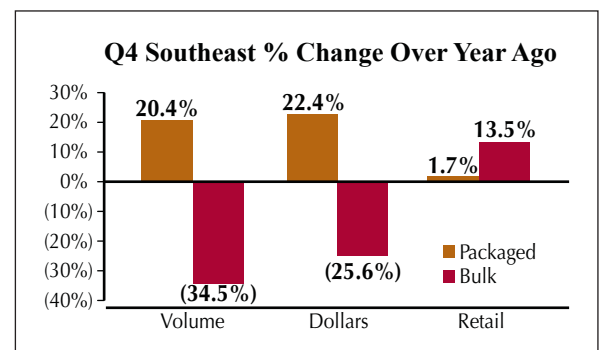
Top Five Items	Volume 2002	Volume 2003	% Change
Packaged White Whole 8 ounce	157	140	(11.0%)
Packaged White Sliced 8 ounce	84	112	34.2%
Packaged Sliced Baby Portabella	24	39	62.5%
Packaged White Sliced 10 ounce	54	34	(36.9%)
Packaged Baby Portabella	23	32	35.3%


Southeast

Overall, volume and dollar sales decreased in the bulk segment, but increased in the packaged segment. Volume and dollar sales increased in all subcategories. One (12 ounce packaged white sliced) of the top five items showed a decline in the category, while the other packaged white whole and sliced and packaged sliced Portabella items increased substantially over last year.

Learning: While packaged mushrooms did well in the Southeast, there is an opportunity to improve sales in the bulk segment.

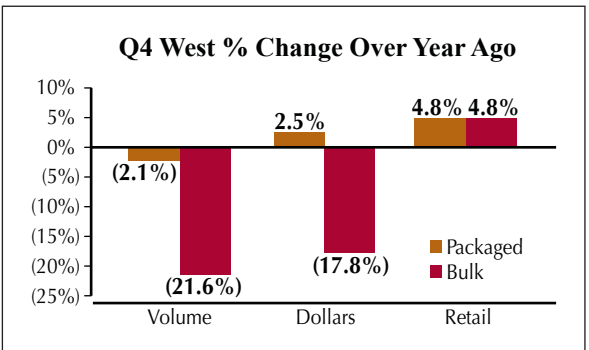
Top Five Items	Volume 2002	Volume 2003	% Change
Packaged White Sliced 8 ounce	59	71	20.4%
Packaged White Whole 8 ounce	42	51	23.7%
Packaged White Whole 16 ounce	12	15	21.8%
Packaged White Sliced 12 ounce	8	8	(1.1%)
Packaged Sliced Portabella	5	7	34.7%



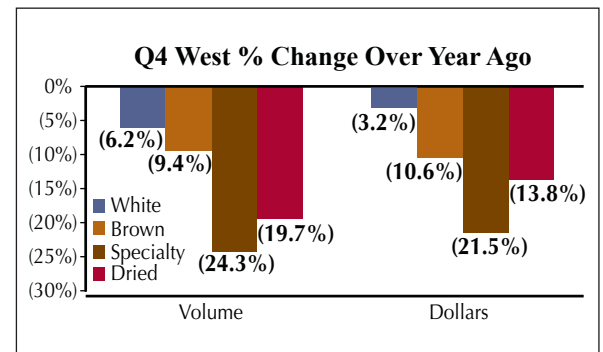
Looking at Regional Opportunities (continued)
West

Overall, volume decreased in both the packaged and bulk segments, while bulk dollar sales also decreased. Volume and dollar sales increased in all mushroom subcategories. Two (8 ounce packaged white sliced and bulk white large) of the top five items showed declines in the category, while the 8 ounce packaged white whole increased substantially over last year.

Learning: There are opportunities to improve sales in all subcategories and segments of mushrooms in the West.



Top Five Items	Volume 2002	Volume 2003	% Change
Packaged White Sliced 8 ounce	123	88	(28.2%)
Packaged White Whole 8 ounce	47	79	68.1%
Bulk White Large	54	40	(26.1%)
Packaged White Sliced 6 ounce	21	23	11.6%
Bulk White Small	5	6	16.4%


4th Quarter Weekly Performance
(Dollars, Volume and Retails)

Nationally, packaged mushroom volume increased 4.4 percent in Q4 of 2003 and bulk volume increased 41.7 percent. The Midwest had the greatest bulk volume increase between 2002 and 2003, with 311.5 percent, while the Southeast had the largest packaged volume gains (20.4 percent). Packaged average retail price increased in all regions except the Midsouth, and bulk average retail price increased in all regions but the Midwest and National composites.

		VOLUME			DOLLAR SALES			UNIT PRICE		
Region	Packaging	Prior Year 2002	This Year 2003	% Change	Prior Year 2002	This Year 2003	% Change	Prior Year 2002	This Year 2003	% Change
National	Packaged	292	305	4.4%	\$571	\$626	9.6%	\$1.95	\$2.05	4.9%
	Bulk	23	33	41.7%	\$77	\$66	(14.0%)	\$3.33	\$2.02	(39.3%)
Midsouth	Packaged	231	262	13.1%	\$446	\$502	12.7%	\$1.93	\$1.92	(0.4%)
	Bulk	31	27	(12.1%)	\$103	\$92	(10.1%)	\$3.30	\$3.37	2.2%
Midwest	Packaged	331	316	(4.1%)	\$649	\$688	6.0%	\$1.96	\$2.17	10.5%
	Bulk	4	18	311.5%	\$18	\$20	12.2%	\$3.97	\$1.08	(72.7%)
Northeast	Packaged	477	483	1.3%	\$924	\$977	5.7%	\$1.94	\$2.02	4.4%
	Bulk	19	16	(16.8%)	\$66	\$56	(15.5%)	\$3.38	\$3.43	1.5%
Southeast	Packaged	158	190	20.4%	\$326	\$399	22.4%	\$2.06	\$2.09	1.7%
	Bulk	2	1	(34.5%)	\$8	\$6	(25.6%)	\$3.59	\$4.07	13.5%
West	Packaged	217	213	(2.1%)	\$418	\$429	2.5%	\$1.92	\$2.02	4.8%
	Bulk	68	54	(21.6%)	\$224	\$184	(17.8%)	\$3.27	\$3.43	4.8%

Pricing

Get a Premium Price for Sliced Mushrooms

Premium pricing for sliced white mushrooms sets the category foundation

Offering both sliced and whole packaged white mushrooms at attractive prices helps strengthen the category's foundation.

Tier-price the mushroom category based on consumer value

Tier pricing mushroom products matches multiple consumers with the right price in order to add value and profits. Suggested pricing tiers start at \$1.69 for packaged white mushrooms that appeal to families interested in value and convenience, and goes up to \$3.49 for dried mushrooms that target true mushroom lovers.

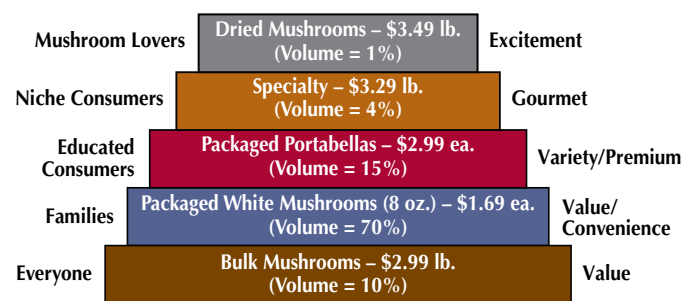
Make sure your pricing strategy reflects your mushroom assortment

Tier pricing helps position mushrooms for the appropriate consumer.

Price all bulk mushrooms to deliver value to consumers

Customers should understand the value of buying in bulk: nationally, consumers buying in bulk save an average of \$.35 a pound when compared to packaged mushrooms. By pricing whites, brown and specialty bulk mushrooms competitively, you will attract customers interested in buying a smaller amount of mushrooms or those looking to upgrade to a variety mushroom.

Pricing needs to be consistent with your consumer-based segmentation strategy



Cold Chain Study Summary

In 2003, the Mushroom Council asked the Perishables Group to conduct a study to understand the impact of maintaining the cold chain and its ultimate impact on consumer purchase of mushrooms. The study documented the impact of the cold chain on overall mushroom quality.

The study included three retail chains, each using a different distribution method: direct store delivery, shipment to stores via retailer controlled warehouse/trucking and shipment via independent warehouse/trucking. Mushroom temperatures both in and out of display cases were audited as well as the effectiveness of the in-store refrigeration display units. This data for total time and temperature of mushrooms from farm to shelf was used by researchers at Penn State University to create models of performance impacts showing average, best and worst case scenarios. Finally, an on-line survey was utilized to document how mushroom color and cleanliness impact consumer purchase intent. Across the chains studied, the cold chain showed extreme variations in performance that negatively impact quality.

Temperature recorders placed within retail displays documented that most refrigeration units are set too high to maintain mushroom quality or prevent additional product degeneration. Store inventory, ordering and re-supply frequency played a significant role in accumulated temperatures for total mushroom time to shelf.

Only 28 percent of consumers describe themselves as "generally satisfied" with the quality of mushrooms on display in the supermarket. However, when shown mushrooms that match quality expectations, 92 percent of consumers said they are likely to purchase mushrooms. Based on the modeling scenarios, stores with "worst case" cold chain performance could improve volume and dollar sales by as much as 156 percent for sliced mushrooms and 35 percent for whole. Improvement from "worst" and "average" to "best" case scenarios showed a possible gain up to \$368,484 for the mushroom category per year for a 100-store chain.

For a complete copy of this research report please contact the Mushroom Council.