

2015 ANNUAL REPORT





CONTENTS

2015 ANNUAL REPORT

- Comments from the Chair 4
- State of the Industry..... 5
- Marketing..... 7
- 2015 At-A-Glance
 - 2015 Summary 7
 - 10 Memorable Moments 8
 - Year-over-Year Consumer Media Comparison 10
- 2015 Program
 - Industry/Retail..... 12
 - Nutrition Research..... 16
 - Nutrition Outreach 18
 - Consumer PR 20
 - Digital 22
 - Foodservice 24
 - Schools 31
- Audit 33
- Council Members (2015) + Graphic of the Regions 38

-
-
-
-
-

- • • • •

COMMENTS FROM THE CHAIR



TONY D'AMICO
TO-JO MUSHROOMS, INC.

As outgoing chair, I am honored to have had the opportunity to serve on the Mushroom Council. Throughout the last five years, I have had the privilege of working with the very best of our industry. I would like to extend my utmost gratitude to those that currently serve and to all that have previously served on the council. I hope you all share the same excitement and optimism that I have for our industry's future.

On behalf of the board, I would again like to extend our appreciation for the council staff. Their hard work and dedication continues to be one of the key drivers behind our industry's success and growth.

Additionally, I would like to welcome and wish all the best to incoming Chair, Pat Jurgensmeyer. Serving on the board requires us to often switch back and forth from our "company" hats to our "industry" hats and Pat exemplifies the qualities needed to do so efficiently and effectively.

In last year's letter, I touched on the bright future of blendability, the work being initiated on an industrywide sustainability program, and the many programs established

to help increase mushroom consumption. Although we have seen so much progress in these areas, I believe we haven't even scratched the surface of the potential success to come.

There is a need now more than ever for our entire industry to get behind these programs and initiatives. As my last call to action, join me as I pledge to increase my support for the Council through greater company participation, better communication and stronger alignment of its programs.

Thank you for allowing me the opportunity to serve and give back to our industry. It has been an absolute pleasure.

STATE OF THE INDUSTRY: RETROSPECTIVE AND FORECAST

Often ‘conventional wisdom’ is a bit too conventional. We repeat what we heard last week. Our opinions are formed by our most recent experience. Is there a mushroom shortage? Yes, when my cooler is empty. Not so much when my cooler is full. We hear retail sales growth would be greater if there were more mushrooms available, particularly around the holidays. Then summer rolls around and there is more supply than demand it seems. We hear further processors say it’s a challenge to find a consistent supply of mushrooms for industrial uses like The Blend (right, for the price they want to pay!).

Several new, state of the art growing operations seem to be thriving; Phase 2 and Phase 3 operations are common. The decline in growers has slowed with increasing numbers of small specialty growers in every state. Therefore, it would seem there is a proper balance between supply and demand.

The ongoing average growth of nearly 30 million additional pounds of fresh mushrooms sales over each of the last 6 years is impressive, but is it sustainable? This substantial increase in demand has been adequately met by a combination of moving more mushrooms from processing to fresh, greater efficiency (Phase 2 and 3) and increased production capacity. An ever increasing productive capacity is a scary thought. Indeed, agricultural economists assume that eventually growers will do just that... grow MORE than the market demands. So can the industry continue what appears to be measured or at least prudent growth in supply that is keeping up with demand, yet not to the extent that it erodes the opportunity to realize increased value and returns? And can demand keep growing at the rate it has for 6 years running?

Another interesting question is if The Blend hits a dramatic growth phase (and there are signs that more substantial interest is heating up), will US producers, in particular, be in a position to supply the demand; for processed mushrooms? Or does that even matter, as the expansion of demand for The Blend simply raises interest in mushrooms of ALL kinds, fresh, processed, agaricus, specialty, organic, etc. And does the focus on The Blend add to or detract from fresh sales? Retail sales growth would suggest that the headlines being generated by The Blend may have some value to the category as a whole, but what about foodservice in general?

Review of consolidated First Handler Reports

- From 2004-2009 total fresh shipments were flat hovering around less than 740 million pounds. Since 2009 (through 2015), 170,000,000 pounds have been added to annual fresh mushroom shipment within the United States; a stunning 23% increase. 85% of that increase came from domestic producers.
- This significant uptick in per capita demand for fresh mushrooms has been steady. The last 3 years (2013-15) alone have seen increases of 24, 24 and 26 million respectively, averaging 28.3 million annual increases since 2009. This translates to an average annual increase of 3.6% over the last 6 years, with 2015 clocking in at 3% above 2014.
- In 2014 fresh shipments exceeded over 60 million pounds every single month, for the first time since 60 million for a month was recorded in 2000. In 2015, no month was less than 70 million pounds after hitting that milestone in 2010. 80 million pounds was achieved in one month in 2014, twice in 2015.
- The value of fresh shipments reported by first handlers has increased 25% over this same period of time (2009-2015), roughly 4% growth per year, coincidentally the same rate of price increase reported by economist Dr. Timothy Richards in his annual NASS review and forecast update last October.

• In 2015, no month
• was less than
• **70 MILLION**
• **POUNDS**
• after hitting that
• milestone in 2010.

STATE OF THE INDUSTRY: RETROSPECTIVE AND FORECAST

Mushroom Shipment Forecast by Dr. Tim Richards

- Total supply is forecast to grow at 3.2% per year through 2018/19, which roughly matches the average annual shipment growth of the last 6 years cited above (28.8% vs 28.3).
- Import growth is forecast at 5.6 % per year and domestic supply growth is estimated to be nearly 2% per year, which again matches up nicely with the nearly 2% growth in domestic shipments reported by first handlers in 2015.
- Dr. Richards has doubled his forecast of PER CAPITA demand growth from 1% to 2% per year on the strength of the last NASS report, which again, seems to be supported by first handler reports collected by the Council.
- The model did not forecast the price increase reported by NASS last August and in spite of all the promising facts and figures and upward revision of demand, it still does not forecast further prices increases. This is a function of ag economic models, which are built to assume that growers or the market, will “over-respond” to increased demand. Which suggests that continuing to push demand ever-higher is the best course of action to maintain, if not grow returns.



2015 AT A GLANCE

2015 Summary

2015 brought forth the evolution of “blendability” to *The Blend*: *The Blend is a new way of combining ground meat and mushrooms to create burgers that are better for you without sacrificing flavor and all the things you love about a burger. There was also a repositioning of the target market to “transitional meat consumers;” The transitional meat consumer comprises the larger part of the middle market consumer population who are becoming more concerned with food and health.* This concept of blending mushrooms with meat proteins was presented across all channels including school nutrition, commercial and non-commercial foodservice, consumer social channels and media outlets.

- **Consumer Media:** *The Blend* technique, Burger Project, nutritional benefits, research data and recipe integration fueled the mushroom dialogue across all media platforms, culminating in a newsworthy 2015. Food influencers, health professionals, reporters, celebrity chefs, school nutrition experts, foodservice providers and bloggers continue to praise the benefits of incorporating mushrooms into a healthy diet. Over the past few years, media has chronicled the evolution of the mushroom from a common vegetable to a culinary superfood and meal enhancer.
- **Nutrition:** The Nutrition Promotion Program translates mushroom nutrition research into easy-to-digest nutrition communications for nutrition and health professional influencers, registered dietitians and consumers. The program supports consumer and nutrition influencer communication efforts by developing timely consistent nutrition content and educational resources. The goal is to build a strong communications platform with consistent distribution of new content so that mushrooms stay top-of-mind.
- **Retail:** The Council successfully targeted small to mid-sized regional retailers for opportunities to expand the audience for *The Blend*. The retail activity included, in-store demos, recipe cards and informational materials. The promotional activity was not limited to in-store alone; several outside marketing channels were used to increase awareness for *The Blend*. The marketing channels included featured articles in retailer print magazines, press releases, online microsites, mobile and social applications in addition to presence in retailer circulars and tradeshows.
- **Foodservice:** Foodservice has been focused on increasing penetration and usage of *The Blend*, and 2015 was a banner year. More and more colleges and restaurant chains realized the

benefits to their menus and adopted *The Blend*. With this spike in usage came more awareness and menuing of mushrooms overall as LTOs spiked as well.

- **School Nutrition:** In 2015 fresh mushrooms and the mushroom blend reached students across the country through the National School Lunch Program. Mushroom sales in schools have increased tremendously. During the school year 2014-2015 approximately 30 trucks of blended burgers were sold to districts across the country both commercially and through USDA Foods. 7 trucks of IQF diced mushrooms were ordered from districts from the USDA for both processing and direct delivery to use to blend on site in large central kitchens. Fresh mushrooms purchased through the department of defense fresh fruit and vegetable program increased by over 50% total mushrooms for the previous school year.
- **Nutrition Research:** The Nutrition Research Program identifies and funds research at leading institutions/universities to discover mushroom’s role in a nutritious diet that improves health or lowers the risk of chronic diseases.

OVERALL STRATEGIES

1. Drive Blend product development
2. Influence channel and consumer adoption of Blend
3. Drive channel adoption of Blend
4. Drive Blend growth within channels
5. Drive consumer trial and adoption of Blend
6. Concentrate and integrate marketing resources for maximum impact

KEY BLEND MESSAGE PLATFORMS

- An improvement, upgrade, or variation on a meat product, not a substitute, filler, or an alternative to meat products: e.g. Gourmet Burger
- Primary benefit is that you don’t need to give up your favorite meat products and eat meat alternatives (veggie burger), this offering meets you halfway
- Healthier meat products without sacrifice or compromise
- Framing: Without sacrificing taste, you can make significant improvements in health/cost and sustainability
- The priority of taste, health, or cost varies by channel member, audience, and decision-maker

10 MUSHROOM MEMORABLE MOMENTS IN 2015

LOTS TO TALK ABOUT IN 2015.

1

The Blend technique, Burger Project, nutritional benefits, research data and recipe integration fueled the mushroom dialogue across all media platforms, culminating in a newsworthy 2015.



VEAL LOVES MUSHROOMS.

4

The Council partnered with the Beef Checkoff for a very successful Summer Grilling Promotion featuring a Muenster Stuffed Veal and Blend Mushroom Burger. Over 162,000 sweepstakes entries were generated.



UTILIZED THIRD PARTY VIDEO.

3

The Council partnered with YouTube cooking show “Tasted” to create a four-episode video series. The videos received over 57,000 views on YouTube and sparked meaningful conversations among Tasted’s subscribers and followers.

SOCIAL MEDIA GROWS.

2

The Mushroom Channel community on Facebook, Twitter, Pinterest and YouTube grew 10 percent to more than 215K mushroom followers in 2015.



Kitchen Tip #43: Make classic dishes healthier without losing flavor by blending diced mushrooms with meat.



MUSHROOMS FLY OFF THE SHELVES!

5

Hy-Vee dietitian and Chef demoed *The Blend* beef and mushroom chili and distributed recipe cards by the mushroom display and reported “mushrooms were flying off the shelves.”

10 MUSHROOM MEMORABLE MOMENTS IN 2015



SWITCHING TO THE BLEND MAKE SENSE.

8

The foodservice management company, Sodexo, switched all of the burgers in their 250 school districts to *The Blend* burger.

FARM TO SCHOOL SUCCESS.

9

50% increase of fresh mushrooms purchases through the Farm to School Program.

SPECIAL BLENDED BURGER DELIVERY.

6

Over 150 blended sliders were hand delivered in January to more than 55 editors, writers and producers in New York. Editors from Rachel Ray, Daily Meal, Health and Shape magazine among others were very enthusiastic about incorporating *The Blend* into their editorial calendars.



MUSHROOMS BY THE TRUCKLOAD.

10

30 trucks of Blended Mushroom Burgers sold commercially to districts across the country.



EAT MORE MUSHROOMS FOR A HEALTHIER YOU.

7

Meijer dietitians included Mushroom Council recipes in meal plans on their "More for a Healthier You" website.



YEAR-OVER-YEAR CONSUMER MEDIA COMPARISON

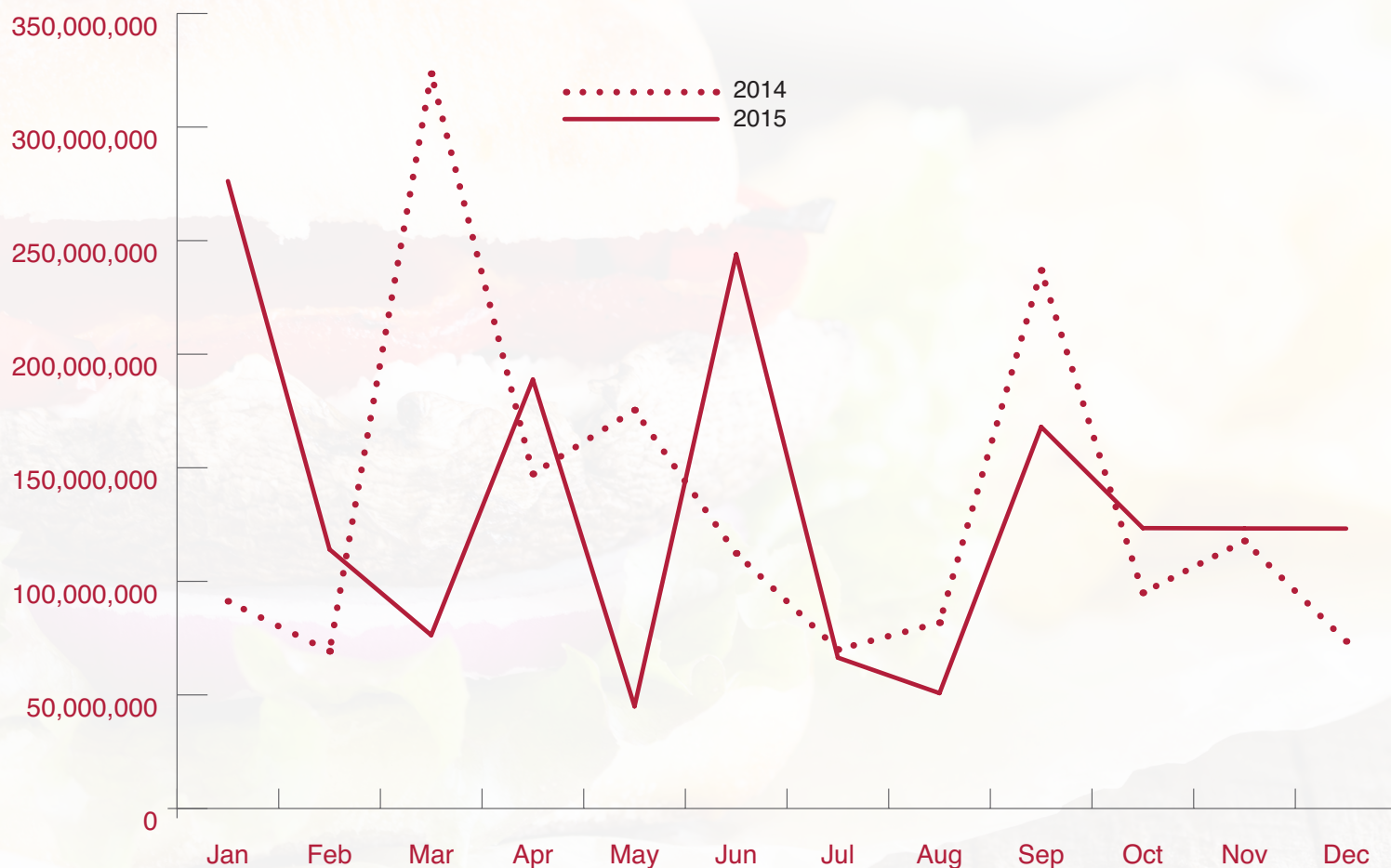
Keeping pace with 2014, in 2015 the Council surpassed more than 1.5 billion impressions.

- Spikes coincided with Council promotions while monthly baseline impressions hovered in the 60-120 million range, compared to 60-90 million range in 2014.
- January 2015 was the strongest January media month on record with 271M impressions (3x last 2014's results) with a phenomenal ode to mushrooms in an Associated Press story

by Food Network star, Melissa D'Arabian, which was picked up in more than 50 outlets. *The Blended Burger* made a huge splash with the top media producers in New York City. Over 150 meat and mushroom blended sliders were hand delivered in January over two days to more than 55 editors, writers and producers identified as the top media outlets responsible for the various "Best Burger" lists.

- Washington Post highlighted *The Blend* technique in an article discussing the differences in lean vs. regular beef,

Consumer/Nutrition Media Impressions: 2014 vs. 2015



with Ellie Krieger saying *The Blend* is one of her favorite cooking techniques, adding that chopped mushrooms provide more nutrition to meaty dishes. Time Magazine also featured mushrooms adding them as number 13 on their list of 50 healthiest foods. Mushroom nutritionals, specifically vitamin D were highlighted as one of their many benefits.

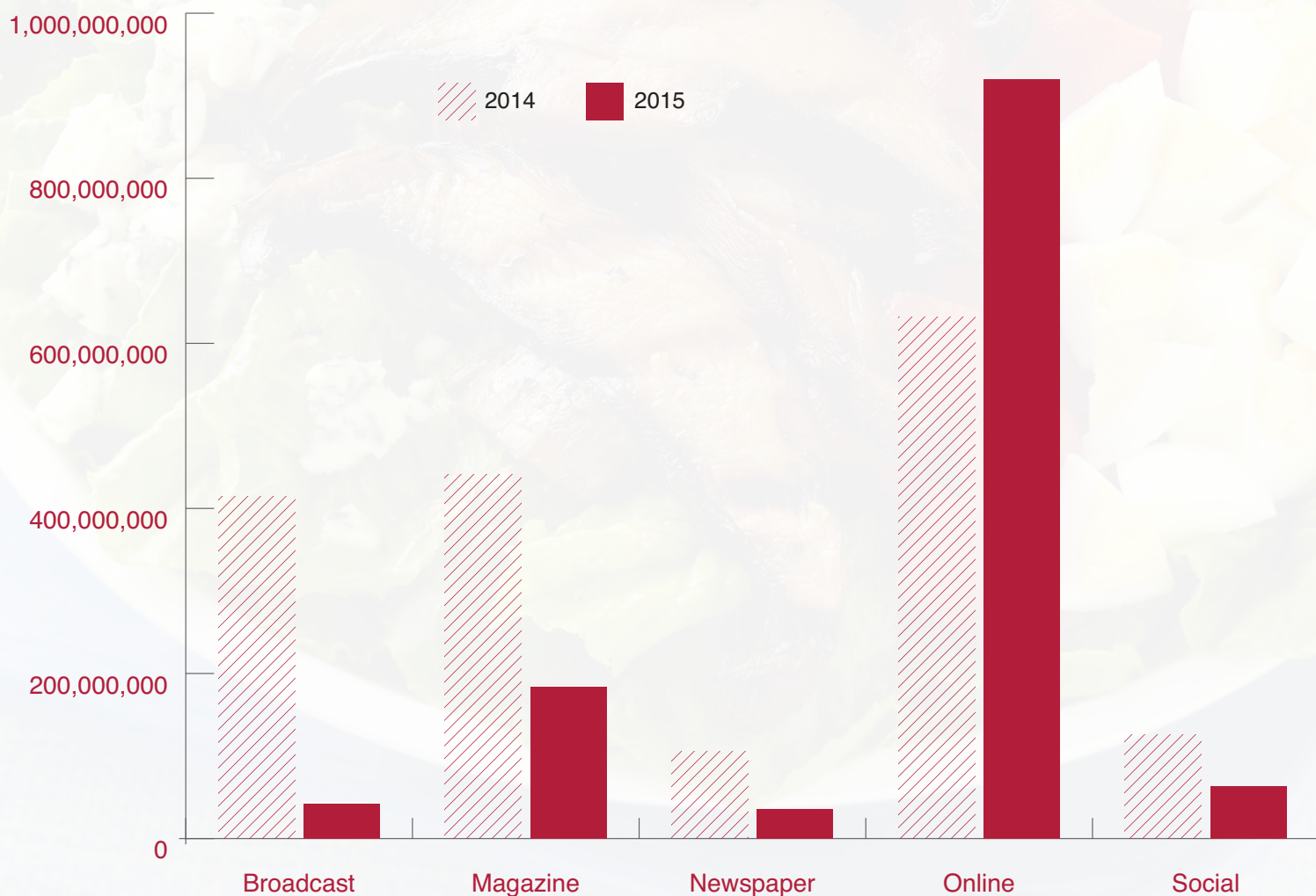
- James Beard Foundation's "*Blended Burger Project*" kicked-off in June; a timely and exciting activation for the media. Jehangir Mehta and Chef Linton Hopkins developed unique, blended

burger recipes to motivate media and grow blend awareness. Local lunches in key markets helped to engage media and chefs.

- News about mushrooms inundated media in September for Mushroom Month and resulted in 113 placements and 168M impressions. Chef Linton Hopkins developed a Bolognese mushroom blend recipe for the September issue of SHAPE Magazine.

Comparison by Media Type:

Consumer/nutrition media impressions (by media): 2014 vs. 2015



*Social is a measure of cumulative Facebook, Twitter, Instagram and Pinterest engagement.

what's cooking

today's demo

FRESH MUSHROOMS
... Every Day, Every Way



INDUSTRY PROGRAM

Launching The Blend at Retail

The Council successfully targeted small to mid-sized regional retailers for opportunities to expand the audience for *The Blend*. The retail activity included ready for purchase pre-packed burgers, tastings at in-store demos, themed endcap displays and Registered Dietitian events. The promotional activity was not limited to in-store alone; several outside marketing channels were used to kick-up the conversation surrounding *The Blend*. The marketing channels included featured articles in retailer print magazines, online microsites, mobile and social applications in addition to presence in retailer circulars.

Redner's Warehouse Markets produced a strong program with *The Blend* demos running in 20 stores with over 12,500 people sampling *The Blend*. *The Blend* was featured in Redner's Health Cents Magazine with over 10,000 copies distributed among their stores. The magazine was promoted on the Redner's website, mobile application and Facebook page. A total of 1.2 million circulars with *The Blend* featured in their Best Food Day ads were distributed to 45 stores.



10K Copies Distributed

1.2M Circulars



2.5K Sampled

Reasor's distributed *The Blend* recipe cards at the "Ask the RDs" events. These events included sampling of products, nutrition education and recipe sharing. Approximately 2,500 people sampled *The Blend*.

C&S Wholesaler Grocers conducted a four-day sampling event in support of *The Blend*. A mushroom display was placed in their meat department to help cross promote meat and mushrooms. Point of sale materials including a dangler and recipe booklets were distributed to promote *The Blend*. Approximately 600 people sampled *The Blend* at these events.



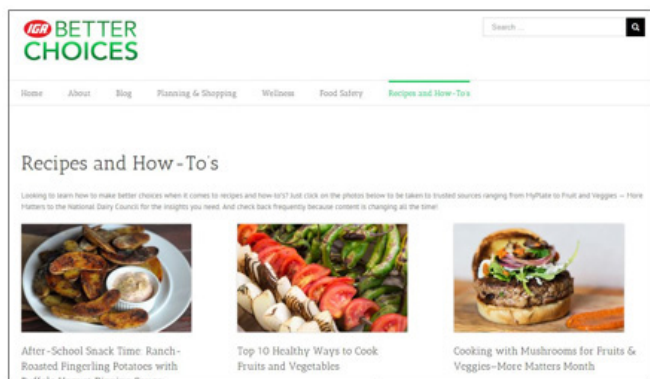
C&S
Wholesale
Grocers

600 Sampled



Weis Markets rolled out the pre-packed Portabello, Swiss Blend Burgers in-store. As part of the Weis Healthy Bites Program, *The Blend* was included in their Healthy Bites magazine, as a featured ad in the Weis circular, and promoted in a themed endcap for two weeks.

IGA promoted *The Blend* content on their Health and Wellness Better Choices microsite with a link to the Mushrooms on The Menu recipe page.



Co-Marketing Programs

The Council, in conjunction with a select group of industry leaders, built partnerships in 2015 that will continue to help leverage *The Blend*. The co-marketing programs expanded beyond the meat category to show the versatility of *The Blend* and the health and taste benefits of mushrooms.



Beef Check-off Veal Promotion "The Veal Mushroom Summer Grilling Sweepstakes" was the largest co-marketing program of the year for the Council. A notable 500,000 packages with one million on-pack labels were distributed to 19 retailers with a total of over 2,000 stores. The promotion generated over 162,000 entries. The

press coverage expanded beyond the retail industry to regional news leaders. The activity generated a total of over 33,000 print impressions, 672,000 broadcast impressions - airing in both the Philadelphia and Washington D.C. markets, and a Facebook



2015 Weis Healthy Bites™ Program

Weis Healthy Bites™ Magazine

-Communicate brand messages, recipes and meal solutions to customers with endorsement from a Weis Registered Dietitian

-Product image and website featured
-105,000 circulation in all stores and free to customers
-E-version archived on Weis Markets website and blog

Feature ad in Weis circular

-Themed ad with brand messaging
-Over 3 million print circulation and 1 million online views per year

2 Week Grocery Display (CENTER STORE)

-Themed endcap in >160 stores

1 Week Feature Display (FRESH, FROZEN AND DAIRY)

-Products tagged with Healthy Bites pricing tag
-Key recipe ingredients may receive special tags tying to recipe

CENTER STORE
\$6,600 program fee

FRESH, FROZEN AND DAIRY
\$5,500 program fee



Additional Program Features:

- Opportunity to feature a Weis Healthy Bites™ coupon in the magazine.
- Social media marketing via Weis Markets Facebook, Twitter, YouTube, Pinterest and Weis It's in the Bag blog. Combined reach >100,000.
- Participation in consumer events, i.e. health fairs, Weis in-store events, demos and presentations.



Other Custom Sponsorship Opportunities:

Fresh Focus

Fresh item feature in a one- or two-page

full-color spread with key message points and imagery.

Coupon + Health & Wellness Marketing

Deliver key health and wellness messages with a coupon.

Kids' Bites

Sponsor kid-focused nutrition activity or healthy recipe on Weis Healthy Bites™ Magazine back cover.



10K Copies Distributed



500K Packages with 1M On Pack Labels

sweepstakes drawing an impressive 149,962 impressions. The numbers did not stop there. An expanded promotion through social media, during the Women's World Cup, further garnered results. The expanded promotion resulted in online video impressions totaling 51,229, over 3,500 E-blasts to the Mushroom Lover's List and 4,600 loyal Pinterest board followers.



California Avocado Commission's "American Summer Holidays" recipe booklet featured a mouth-watering Turkey Mushroom Blend Burger, which was prominently featured on the cover and the corresponding recipe included on the inside. The booklet was distributed to over 100,000 retailers.

Gourmet Gardens partnered with the Council to host *The Blend* recipes on their site and in turn the Gourmet Garden's recipes were hosted on the Council's site. The websites linked back to each respective site. The promotion garnered over 22,500 page views and was supported with trade press in The Packer, Produce News and other industry publications.



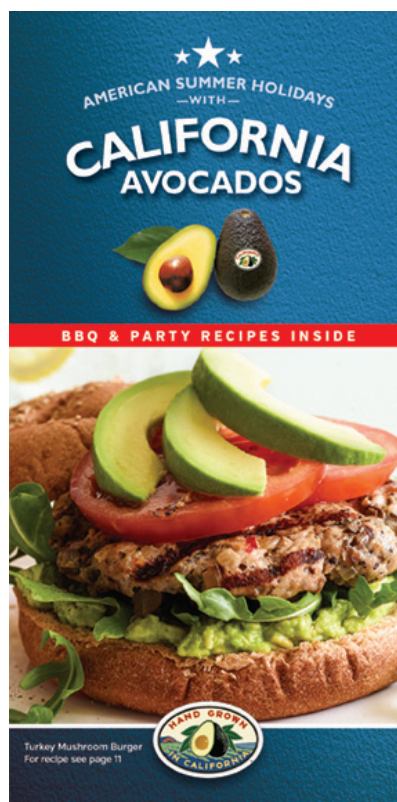
22.5K Page Views



American Egg Board (AEB) and the Council created custom content using an eye-catching Infographic to inform and educate consumers on the health benefits of eggs and mushrooms. The Infographic was distributed to over 700,000 American Egg Board Facebook

Followers and shared with the trade industry. Additionally, the AEB shared mushroom recipes and launched a Mushroom Monday campaign to support September's Mushroom Month. The recipe reached 13.2K consumers and was shared 75 times.

100K Retailers



700k Followers



404,752 Impressions



Trade Press for The Blend

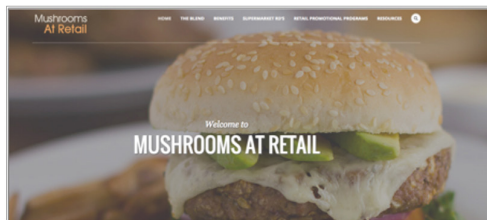
The trade press generated over **404,752 impressions** including those acquired (33,752) from the season's Beef Check-off co-marketing promotion. Notable retail industry and top regional publications covered *The Blend* activity.

Retailers Benefit from mushroomsatretail.com

The Retailers made use of the information located on the MushroomAtRetail.com website and contacted the Council through the available contact links located on the website. The website will continue to be a valuable asset for showcasing future retail activity and keeping the lines of communication open with participating retailers.

The Council Provides Data on a Monthly Basis

The Council continues to deliver The Tracker Suite on a monthly basis. It provides expanded retail data, information, charts and graphs. The Tracker Highlights spotlights notable and newsworthy information including 4-week and 52-week performance summaries by category varieties.



Mushrooms and ground meat blend seamlessly to add an extra serving of vegetable to the plate by enhancing or extending the meat. It works because finely chopped, umami rich mushrooms look similar and take on the flavor properties of meat and other flavors. Add nutrients to America's iconic foods without losing taste or satisfying texture.

THE BLEND AT RETAIL

The Blend - Finely chopped mushrooms blended seamlessly with ground meat that delivers consumer appeal, rich delicious taste, and health benefits while adding value to consumer's bottom line.

NUTRITION

Mushrooms are low in calories, fat free, cholesterol free, gluten free, and very low in sodium, yet they provide important nutrients.

BENEFITS

With the Blend, retailers can offer delicious, nutritious, value added prepared food, while responding to a consumer's diet.

GET STARTED

There's a growing body of health benefits, and product resources, from the Mushroom Council, to promote the Blend.

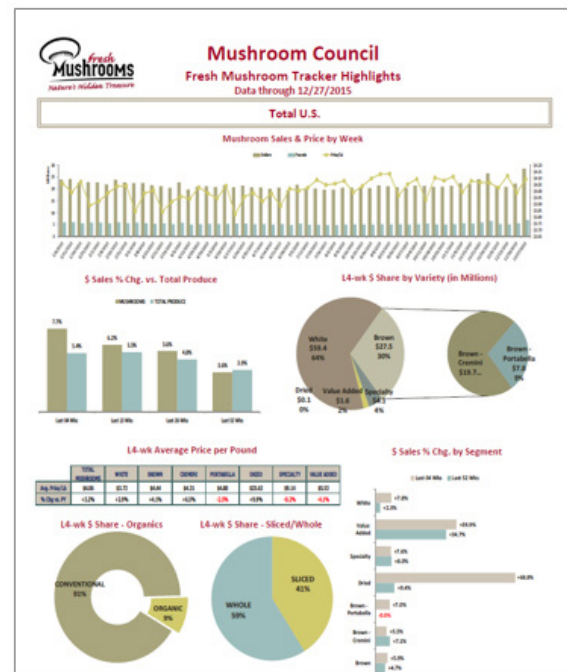
[LEARN MORE ABOUT THE BLEND](#)

PEOPLE ARE TALKING ABOUT THE BLEND

Foodservice companies, Executive Chef, Restaurateurs, School Nutrition Directors, Bloggers and consumers LOVE The Blend. Here is what they are saying...

Meredith McGrath
EEO, L2N Corporate Director,
Barbara's Workhouse Markets

I started using The Blend almost two years ago, so I jumped on the opportunity to share this trend with my customers. Our team of TasteStation ambassadors spent a weekend cooking and teaching our customers the blend and the results were outstanding. Not only did sales increase on mushrooms and meat, we made many new friends by showing them a quick, tasty way to add nutrition to their family meals!



SPOTLIGHT: THE BLEND WAS SUCCESSFUL WITH BEEF CHECKOFF'S VEAL MUSHROOM SUMMER GRILLING SWEEPSTAKES

The Council partnered with the Beef Checkoff for a very successful Summer Grilling Promotion featuring a Muenster Stuffed Veal and Blend Mushroom Burger. The burger blends veal and mushrooms and is then topped with more mushrooms! Highlights of the promotion include:

- 500,000 packages with one million on-pack labels were distributed to 19 retailers in a total of over 2,000 stores
- Over 162,000 sweepstakes entries generated
- Press coverage included over 33,000 print impressions and 672,000 broadcast impression

- The broadcast impressions were generated from a TV commercial that ran in both the Philadelphia and Washington D.C. markets
- Facebook sweepstakes generated an impressive 149,962 impressions
- A social media component increased exposure with online video impressions totaling 51,229; and over 3,500 E-blasts were sent to the Mushroom Lover's List and 4,600 loyal Pinterest board followers

The Beef Checkoff was very impressed with the promotion that they invited the Council to participate again in 2016.



NUTRITION & CONSUMER

NUTRITION RESEARCH PROGRAM

The Nutrition Research Program identifies and funds research at leading institutions/universities to discover mushroom's role in a nutritious diet that improves health or lowers the risk of chronic diseases. Nutrition research forms the credible base that supports consumer and nutrition influencer communications efforts by developing timely consistent nutrition content and educational resources for Registered Dietitian Nutritionists and dietary guidance recommendations in the development of national policy. In addition, the Nutrition Research Program participates in the Mushrooms and Health Global Initiative that uses science-based communication to increase the worldwide consumption of mushrooms.



New Projects Funded in 2015

- Cantorna, Margherita; Penn State University, State College. Mechanisms by which mushrooms regulate the gut microbiota.
- Chavarro, Jorge, Harvard School of Public Health, Boston, MA. Mushroom intake and chronic disease risk in men and women: biomarkers indicative of risk of type 2 diabetes, cardiovascular disease, prostate and breast cancer of nurses and health professionals followed by the Harvard School of Public Health.
- Meydani, Mohsen, USDA Human Nutrition Research Center on Aging, Tufts University, Boston, MA. Potential prevention of atherosclerosis by edible mushrooms.
- Slavin, Joanne, University of Minnesota, Minneapolis. Mushrooms enhance satiety and improve gut health markers.
- Solano-Aguilar, Sonia, USDA Beltsville Human Nutrition Research Center, Beltsville, MD. Prebiotic effect of dietary *Agaricus bisporus* mushroom on intestinal microflora composition and host immunological function.

Research Published

- **Shiuan Chen, Beckman Research Institute, City of Hope, Duarte, CA.** *"A Phase I Trial of mushroom powder in patients with biochemically recurrent prostate cancer: Roles of cytokines and myeloid-derived suppressor cells for Agaricus bisporus-induced prostate-specific antigen responses"* published in Cancer 2015;000:000-000 online May 20, 2015.
- **Susan Percival, University of Florida, Gainesville** *"Consuming Lentinula edodes (shiitake) mushrooms daily improves human immunity: a randomized dietary intervention in healthy young adults"* Journal of the American College of Nutrition, published online in April and in print in September 2015.

Manuscripts Pending Publication

Cheskin, Lawrence, Johns Hopkins Bloomberg School of Public Health, School of Medicine, Baltimore, MD. *"A pilot study to compare a mushroom-soy-beef burger to a beef burger in school meals"* Journal of Child Nutrition and Management.

Cheskin, Lawrence, Johns Hopkins Bloomberg School of Public Health, School of Medicine, Baltimore, MD. *"Comparison of a mushroom-soy-beef blend burger and an all-beef burger in a school cafeteria setting: a pilot study"* journal TBD.

Phillips, Katherine, Virginia Tech, Blacksburg. *"A Mixed Mushroom Control Material to Facilitate Inter-Laboratory Harmonization of Mushroom Composition Analysis"* Journal of Food Composition and Analysis.

Continuing Research

- **Shiuan Chen, Beckman Research Institute, City of Hope, Duarte, CA** *"Identification and characterization of white button mushroom strains with high anti-aromatase activity."*
- **Amanda Kinchla, University of Massachusetts, Amherst.** *"Optimizing the use of mushrooms for reduced fat and/or reduced sodium products."*
- **Claire Kruger, Spherix Consulting, Rockville, MD** *"Preparation of GRAS dossier to obtain GRAS status for mushrooms treated post-harvest with UV-irradiation."*

Nutrition Influencer Communications–Content for e-newsletter Nutrition News about Mushrooms

- Why Mushrooms May Warrant a Third Food Kingdom
- Research Trends from Experimental Biology
- Mushrooms – Helping Consumers Increase Intake of Vitamin D

National Nutrition Policy Support – Letter to Secretaries of Health and Human Services and Agriculture supporting the Scientific Report of the 2015 Dietary Guidelines Advisory Committee that mushrooms:

Are an excellent source of riboflavin (20% Daily Value (DV) and niacin (15% DV) and a good source of selenium (11% DV); provide potassium (8% DV), vitamin D and fiber (3% DV), (under-consumed nutrients of concern), enhance flavor while reducing sodium, and saturated fat intake (overconsumed nutrients of concern) and can improve the *"Healthy U.S. Style"* Dietary Pattern by Blending Mushrooms with Meat.

Mushrooms and Health Global Initiative

Four issues of the Initiative's newsletter, the Bulletin, which provides ideas on how to communicate nutrition research, were distributed. Preliminary results from an online survey to improve the usefulness of the Bulletin going forward suggest that a majority of readers find useful the reports from countries on how to communicate nutrition research.

NEWS FROM THE UNITED STATES Michelle Green



The Mushroom Blend – a science based menu strategy

For many years, the U.S. Mushroom Council's (Council) communication strategy has used nutrition information and science to describe mushrooms' incredible nutritional properties to help improve the nutrient quality of consumers' food choices and lower risk of major chronic diseases associated with obesity. Mushrooms' health and wellness benefits also provide innovative solutions to meet the challenge of balancing nutrition and taste, and the need to improve the nutrient quality of the country's food supply.

A business strategy with results:
The Council tested the Blend's feasibility and viability through protocol application-based research, pilot programs, influencer engagement and direct-to-consumer initiatives. These efforts put the Council – an agricultural commodity – on the map of today's most groundbreaking food companies, changing the way Americans eat. The Blend has escalated into a fully integrated, new business strategy, has opened new mushroom markets and has helped propel sales and growth of the U.S. mushroom industry to a new annual peak of more than US\$1B.



The Blend campaign is up for one of the country's top public relations awards and is a finalist for the 2015 Silver Anvils.



NUTRITION OUTREACH PROGRAM

Nutrition Promotion & Outreach Program 2015

The Nutrition Promotion Program translates mushroom nutrition research into easy-to-digest nutrition communications for nutrition and health professional influencers, registered dietitians and consumers. A robust mushroom nutrition resource library helps educate nutrition influencers on the health benefits of mushrooms and in turn supports credible mushroom ambassadors who can speak on behalf of mushrooms in the media, to their clients, or on the supermarket store floor. The program also focuses on supermarket dietitian outreach with the goal of identifying ambassadors who can champion *The Blend* to their shoppers and their retailer, ultimately supporting *The Blend* pilot program.

Nutrition Research Education and Communication:

The program supports consumer and nutrition influencer communication efforts by developing timely consistent nutrition content and educational resources. The goal is to build a strong communications platform with consistent distribution of new content so that mushrooms stay top-of-mind. As a result, The Nutrition News About Mushrooms E-Newsletter was updated this year to distribute quarterly instead of biannually and the communication strategy shifted from reactive to proactive, building out an editorial calendar for resource development for the year ahead.

New and Updated Resources for 2015 include:

- Retail Dietitian Toolkit
- The-Better-For-You-Blend
- Vitamin D Fact Sheet
- Mushroom Nutrition At A Glance
- Mushroom Nutrition PPT
- Manage Your Weight with Mushrooms
- Cut the Sodium with Mushrooms

Supermarket RD Outreach

Through resource development and events, The Council developed strategic partnerships with supermarket dietitians in an effort to champion *The Blend* to shoppers and retailers and pilot *The Blend* at retail. The Council reached over 50 supermarket dietitians between Oldways Supermarket Dietitian Symposium and two owned events – a mushroom farm tour for dietitians in Kennett Square, PA and an influencer dinner at The Academy of Nutrition and Dietetics Food and Nutrition Conference & Expo in Nashville, TN. The Council also created a Toolkit specifically tailored to retail dietitians to encourage *Blend* promotions and demos. As a result of the Council's efforts, retailers including Kroger, Weis, Meijer, Redner's, Reasor's, Mariano's, King Soopers, and Hy-Vee have promoted *The Blend* to their shoppers.

SPOTLIGHT: WEIS MARKETS

Weis Dietitians Promote and Serve *The Blend* to Shoppers

From November through December, Weis Markets featured *The Blend* as part of their Italian Table Healthy Bites promotion. Weis's dietitians developed an original recipe using *The Blend*, Chicken Marsala Meatballs, and included the recipe on the cover page of their magazine. They also developed a cooking video for the recipe, which they promoted on their YouTube channel and demoed the recipe in two of their stores. As part of this promotion, Weis also included a two-page spread on mushrooms and *The Blend* in their Healthy Bites Magazine. This magazine has 105,000 copies in circulation throughout Weis Markets stores and is free to customers. *The Blend* was also promoted across Weis Markets' social media channels, Facebook, Twitter, Pinterest, YouTube and Weis' "It's In the Bag" Blog, with a total reach of over 100,000. Weis continues to sell *The Blend* burger in the deli section of their supermarkets. The partnership we have fostered with Weis has been a direct result of our supermarket RD outreach efforts.



SPOTLIGHT: OLDWAYS SUPERMARKET DIETITIAN SYMPOSIUM

Creating RD Ambassadors for The Blend at Retail

This was the second year in a row the Council sponsored Oldways Supermarket Dietitian Symposium. Oldways' mission is to inspire good health through cultural food traditions and they achieve this through resource development and organizing a range of conferences, including the Supermarket Dietitian Symposium. Oldways recognizes the important work retail dietitians do and looks toward the future to find practical, real solutions to improve the health of all Americans. Since 2010, Oldways has been leading the charge in working with supermarket dietitians by creating an exciting and educational annual event to connect retail dietitians with food companies committed to improving public health.

As a sponsor, The Council connected with 50 supermarket dietitians in St. Petersburg, Florida. The Council presented on how *The Blend* can help meet consumer trends and improve ROI for the retailer. Attendees were excited to hear about our case study with Kroger that showed promoting *The Blend* can result in a positive sales lift in both mushrooms and meat. After the presentation, dietitians were eager to try *The Blend* for themselves and had an opportunity to taste two blended burger recipes at lunch. The Council received an overwhelmingly positive response to *The Blend* burgers sampled as well as the presentation delivered. The Council also had dedicated time during the conference's Marketplace to connect 1:1 with attendees and discuss how we can help dietitians champion *The Blend* to their retailer.

The majority of *The Blend* retail promotions that were executed this year can be attributed to the relationships made at Oldways:

- Redner's demoed The Blend burger in 44 stores during the summer timeframe and included a two-page spread on The Blend in their Health Cents Magazine. The store saw a positive sales lift in both mushrooms and meat as a result.

- Weis Markets continues to promote The Blend (see spotlight section).
- Reasor's dietitians educate shoppers on The Blend and distribute Blend recipe cards at their classes and events.
- Hy-Vee dietitian and Chef demoed The Blend beef and mushroom chili and distributed recipe cards by the mushroom display and reported "mushrooms were flying off the shelves."
- Kroger dietitians included Mushroom Council recipes in their pharmacy inserts as well as in their digital circulars.
- Meijer dietitians included Mushroom Council recipes in meal plans on their "More for a Healthier You" website.
- Mariano's dietitian educated shoppers on The Blend during nutrition and health classes and events.



Ingredients

8 oz fresh crimini mushrooms
1 onion, chopped
2 cloves garlic, minced
1/2 lb lean ground beef, crumbled
1 green pepper, finely chopped
1 red pepper, finely chopped
1 can kidney beans, drained & rinsed
1 can diced tomatoes
1 can tomato paste
2 tbsp chili powder
1 1/2 tsp dried Italian herbs
1 tsp ground cumin
1 tsp salt

Directions

Place the mushrooms, onion and garlic in a food processor fitted with a metal blade. Pulse until finely chopped. Combine the mushroom mixture, ground beef, green pepper, red pepper and beans in a slow cooker. Stir the diced tomatoes with the tomato paste, chili powder, seasoning blend, cumin and salt until well combined. Pour the tomato mixture into the slow cooker. Cook on high for 5 hours or on low for 10 hours.
Tip: Garnish with cheddar cheese, sour cream, green onion and serve with tortilla chips or in a bread bowl for a fun and tasty dinner.

Blending ground meat with finely diced mushrooms is a natural way to reduce calories and fat, extend portion size, and make the entire family happy.
To learn more about blendability visit mushroominfo.com/blendability





CONSUMER PUBLIC RELATIONS

Implementing media and social strategies garnered news coverage throughout the campaign, which spanned print, online, broadcast and radio stories. From trade outlets to top-tier news platforms and local media, the Burger Project garnered 53M+ media impressions, earning 151 placements, including:

- The View
- Huffington Post
- Dining Diary Podcast
- Miami Herald
- WISH-TV, Indianapolis
- ABC2, Nashville
- Daily Meal
- What's Cookin' Today
- WCIU-TV, Chicago
- Orlando Sentinel
- Las Vegas Weekly
- Commercial Appeal

- Indianapolis Star
- Charlotte Observer
- Shreveport Times
- National Culinary Review
- Burger Business
- Food & Drink
- Food Management
- Great Taste Magazine
- The Packer
- Herald Times
- Nashville Business Journal

The Best Media Headlines of 2015

The Blend technique, Burger Project, nutritional benefits, research data and recipe integration fueled the mushroom dialogue across all media platforms, culminating in a newsworthy 2015. Food influencers, health professionals, reporters, celebrity chefs, school nutrition experts, foodservice providers and bloggers continue to praise the benefits of incorporating mushrooms into a healthy diet. Over the past few years, media has chronicled the evolution of the mushroom from a common vegetable to a culinary superfood and meal enhancer.

.....
**Annual media reach
has increased by
342PERCENT
over the past 9 years
(2006 - 2015)**
.....

The message categories that comprise the mushroom evolution include nutrition, flavor, culinary, sustainability and of course, *The Blend*. As the media continues to cover mushrooms in a positive light, the goal is to strengthen the stories with third-party messaging from influencers and experts sharing facts about mushrooms and how to best utilize them for everyday enjoyment. A sampling of what the American public saw and heard in mushroom-inspired headlines includes:

- *“Meatballs, burgers and tacos with more taste and half the guilt? It can happen, thanks to mushrooms.”* – Prevention magazine
- *“Mushrooms give a meaty heartiness and deep, savory flavor to dishes in a healthful way.”* – Ellie Krieger
- *“[Mushrooms are a] Smart replacement that can slash the calories, saturated fat, sodium and cost of red-meat dishes.”* – Women’s Health magazine
- *“Mushrooms are associated with umami, the fifth basic taste” and “They’re low in calories, fat-free, cholesterol-free, and gluten-free, with barely any sodium.”* – Yahoo! Health
- *“Shrooms are rich in selenium [and] are also the only plant source of natural vitamin D”* – Cynthia Sass
- *“Substitute 20 to 30 percent of meat with ground diced mushrooms. They add umami to a burger and most people don’t even notice.”* – Chef Richard Blais
- *“For a juicier, tastier burger, try mixing chopped vegetables into your ground meat patties.”* – FOX News
- *“Mushrooms are kind of a perfect food. They’re rich and meaty, so they taste indulgent; they’re amazingly versatile; and they’ve got serious nutrition perks.”* – SHAPE magazine
- *“[Replace half the meat in your Bolognese with mushrooms as they] Actually enhance the flavor of the sauce, adding an earthiness and deep, savory quality, while having a similar textured and mouthfeel to ground beef.”* – Chef Linton Hopkins



NYC Desk Sides

Ahead of grilling season in summer 2015, the Council headed to NYC to meet with media for deskside meetings with the objective of garnering media coverage about *The Blend*, specifically blend burgers, in key outlets during the upcoming spring and summer months. The strategy involved extensive media research and outreach to choose the most relevant and influential news outlets and then drive awareness and acceptance of *The Blend*. While in NYC, editors from the Daily Meal, Rachael Ray Show/Magazine, Shape and Health were introduced to *The Blend* and its many nutritional benefits. Additionally, editors enjoyed taste-testing blend-sliders. As a closing statement, the Council teased what was to come with the James Beard Foundation partnership.

The new relationships forged and information shared during the NYC desk sides drove a steady drumbeat of coverage throughout the rest of 2015. Every outlet who attended ultimately featured some type of mushroom messaging or recipe.

September Mushroom Month 2015

In the spirit of *The Blend* and culinary innovation, Mushroom Month 2015 focused on consumer engagement through chef partnerships, strong social media content and media outreach. Continuing the promotion of *The Blend*, the content was highly visual, appealing and full of tips and tricks for mastering the technique.

Media Outreach

Continuous media outreach was conducted throughout Mushroom Month. Utilizing chef spokespeople, Better Burger Project winners, recipes and other content, we engaged a variety of outlets — national, hybrid, trade, print and online. Media pitches focused on health benefits, versatility, recipes and of course, *The Blend*. Mushroom messaging permeated the media, including:

- Billy Parisi on Men’s Journal
- Chef Dan Nichols on WISH-TV
- Every day with Rachael Ray
- Family Fun
- Cooking Light
- SHAPE
- Yahoo! Food
- Daily Meal
- The Kitchn
- Examiner
- Popsugar
- Seattle Times
- Everyday Health
- Oregon Live



DIGITAL PROGRAM 2015

Mushroom Council Community Engagement Soars

With all of the exciting activity spanning across the Mushroom Council social pages this year, our online community continues to grow and interact with us enthusiastically! The Council has used multiple social platforms to connect with a wide audience that is looking for recipes, cooking tips and information across several different avenues. For example, Mushroom Council followers who Web browse throughout the day can easily find what they are looking for on Facebook and the Mushroom Channel blog. On-the-go audiences in search of quick, concise recipe links and mushroom information are more prone to engage with the Council via Twitter, Pinterest and Instagram.

The Mushroom Channel community on Facebook, Twitter, Pinterest and YouTube grew 10 percent to more than 215K mushroom followers in 2015. Overall, Twitter was among the top performing social platforms reaching more than 19M people to date, as well as the launch of Instagram that reached more than 1,000 followers in just three short months.

The Mushroom Council makes a significant effort to generate and share content that continues to resonate with a growing community of fans and peers. The top performing posts to-date occurred in the summer, with one of our best-performing posts supporting our Veal Made Easy partnership; it received more than 5.4k likes and 445 shares.

To bolster the success of the Better Burger Project, the Mushroom Channel made special efforts to engage with participating restaurants and feature their work. For example, each week we posted a new participating chef and their burger. Content featuring these visually-appealing images and interesting chef details were very well received. In total, the Council had the pleasure of working with more than 50 Better Burger Project participants on social media to celebrate and promote *The Blend* all over the country.

With the prime seasonal dialogue surrounding vitamin D during Nutrition Month, we leveraged the momentum with 'surprise and delight' efforts to find RDs/influencers who were shaping the online conversation about D and send them a mushroom/D care

package with product and information to boost their intake of the "sunshine vitamin" and call out mushrooms' benefits.

Blogger Partnerships

Billy Parisi, Chicago native and culinary influencer, developed a three-minute video on mushroom basics and *The Blend*. The long-form video was then cut into six, separate videos that showcased six ways to cook mushrooms in simple and informative examples, including: raw, sautéed, grilled, roasted, loose blend and tight blend. Each video had high-production value with beautiful photography and cooking advice. Cross-promotion of each video on the Council's platforms and Billy's social sites amplified the series.





SPOTLIGHT: YOUTUBE INFLUENCER PARTNERSHIP

The Council also partnered with YouTube cooking show “Tasted” to create a four-episode video series. In the Mushroom Chef Down series, “Tasted” visited the kitchens of four restaurants in Los Angeles. In each episode, the chef and a friendly rival faced-off in a mushroom-inspired culinary battle. Judges in each episode tasted the dishes and determined a winning dish.

The four episodes included:

Shiitake + Tofu Cook-Off at Phorage

– *Mushroom Chef Down!*

- Challenge to create the best dish with Shiitake mushrooms and tofu
 - Restaurant: Vietnamese hot spot Phorage
 - Chefs: Chef-owner Perry Cheung went up against his Chef de Cuisine Ulises Pineda-Alfaro from ASAP Phorage
 - Dishes: Chef Cheung with a tofu and shiitake stir fry, and Chef Pineda-Alfaro with a Vietnamese style mushroom-tofu sloppy joe
 - Judges: Michael Truly and Ross Everett
 - Video views: 18K+

Porcini + Beef Cook-Off at The Federal

– *Mushroom Chef Down!*

- Challenge to create the best dish with porcini mushrooms and beef
 - Restaurant: The Federal Bar in North Hollywood
 - Chefs: Chef Grant Wagemaker went up against Chef Ted Hopson

- Dishes: Chef Wagemaker with beef short rib meatballs with risotto and Chef Hopson with a beef tartare and mushroom chips
- Judges: Ti and Meghan Tonjes
- Video views: 11K+

Maitake + Chicken Cook-Off at FIG

– *Mushroom Chef Down!*

- Challenge to create the best dish with maitake mushrooms and chicken
 - Restaurant: FIG at The Fairmont
 - Chefs: Chef Yousef Ghaliani and Chef Charles Imbelli
 - Dishes: Chef Imbelli with chicken and mushroom pot pie and Chef Ghaliani with chicken and maitake breakfast hash
 - Judges: Michael Cruz and Mike Falzone
 - Video views: 12K+

Crimini + Burgers Cook-Off at The Upper West

– *Mushroom Chef Down!*

- Challenge to create the best burger with crimini mushrooms
 - Restaurant: The Upper West
 - Chefs: Chef Nick Shipp and Chef Natasha Feldman
 - Dishes: Chef Feldman with an All-American burger and Chef Shipp with a Greek lamb burger
 - Judges: Philliam and Juliana Strickland
 - Video views: 16K+



FOODSERVICE AND TRADE PROGRAM

Foodservice has been focused on increasing penetration and usage of *The Blend*, and 2015 was a banner year. More and more colleges and restaurant chains realized the benefits to their menus and adopted *The Blend*. With this spike in usage came more awareness and menuing of mushrooms overall as LTOs spiked as well.



.....

Wood Grilled Border Springs Lamb Burger, recipe and photo courtesy of Chef Blake Hartwick from Bonterra, Charlotte, NC.

The Blended Burger Project Partnership with James Beard Foundation

The Council and the rest of the mushroom industry partnered with the James Beard Foundation, the chef organization that stands for culinary craft and excellence, to launch a contest that would inspire chefs to create “better burgers” using at least 25% mushrooms. The contest required chefs to menu *The Blend* and have guests that purchased the burger and post a photo to Instagram tagging the restaurant. Five winners were selected, based on the number of Instagram posts, and were flown to New York for serve their “better burgers” at the historic James Beard House on October 18.

James Beard invites chefs to build a “better burger”

Promotion starts Memorial Day, 2015

The goal of the Blended Burger Project is to inspire chefs to create the “better burger” by using at least 25% mushrooms in their burgers. The James Beard Foundation is the official sponsor of the Blended Burger Project. The contest is open to all chefs who are members of the James Beard Foundation. The contest is open to all chefs who are members of the James Beard Foundation. The contest is open to all chefs who are members of the James Beard Foundation.

JAMES
BEARD
FOUNDATION



For more information on the Blended Burger Project, visit www.blendedburgerproject.org or follow us on Instagram @blendedburgerproject. #blendedburgerproject

The promotion kicked off on Memorial Day and ran through July 31st. The contest and partnership was heavily promoted by the Council through social media. Information was also sent out via the James Beard Foundation monthly newsletter and Gala program, an Instagram video, e-blasts and more.

Local and global media outlets across the nation promoted the partnership and the participation of top celebrity chefs like Chef Jehangir Mehta and Chef Spike Mendelsohn. Chef Maneet Chauhan, Council celebrity spokes chef and participant, appeared on *The View* to feature *The Blend* and promote the Burger Project. In total, the Burger Project partnership garnered 64 million media impressions, including hits from top media outlets NPR, The National Culinary Review, HuffPost Taste, Mother Nature Network, Produce News, Yahoo, Star Tribune, News Channel 3 and many more.

The contest was promoted across many social channels; including a live Twitter party and sampling hosted by Chef Brian Jupiter, Frontier restaurant, in Chicago. As part of the restaurants' contest promotion, Chef Jupiter invited local foodies to not only try his new Bison Burger (blended with 25% mushrooms), but to live-tweet their experience during a #FoodieChats Twitter Party. During the event, the group chatted about *The Blend* and how the concept was such a brilliant idea. "*Blending is a great way to give burgers a new healthier life,*" explained Alissa Trumbell. "*Anything that gets more fruits and vegetables in our diet is an amazing thing,*" said Debbie Donato, Blogger & Certified Food Judge. Everyone was in agreement that *The Blend* was the next big thing! Chef Jupiter's burger was a meaty mushroom & bison patty stacked underneath lettuce, pickled green tomato and deep fried avocado; all on a warm pretzel bun. All the guests enjoyed the burger and had nothing but good things to say, "*After having a bite of the Frontier Better Burger Project Burger I don't think I can eat a burger without mushrooms blended,*" tweeted Angela Woody.



As part of an ongoing partnership with Plate Magazine, four chef luncheons were held in conjunction with the contest; in Philadelphia at Supper; in San Francisco at Tavern on the Park; in Nashville at Chauhan Ale & Masala House; and in Boston at Davios. At these events, local chefs served their version of *The Blend* for other chefs in their respective markets. In Philadelphia, Chef Matthew Savastano, Beast & Ale; Chef Mitch Prenskey, Supper; Chef Christine Di Silva,



Taproom on 19th and Chef Jehangir Mehta, Graffiti offered their versions of *The Blend* in action. In Nashville, a number of chefs from the surrounding area met at Chauhan's Masala and Ale House to see Chef Chauhan and Chef Mehta cook their versions of *The Blend* burger. Other chefs and several media outlets, including a local TV station, gathered to sample the burgers and ask questions about the benefits of blending and the contest. In San Francisco, four well-known chefs, including Domenica Catelli, an Iron Chef Judge; Chef Chris Seyersdahl, Precita Park Café; Chef Clive Berkman, Garden Court Hotel; and Chef Jennifer Puccio, Park Tavern, showcased their four very different versions of *The Blend*. The two favorites among guests were the Ninja Burger; Brisket & mushroom blend, parmesan crisp, caramelized onions, house sauce, cherry tomato & field greens, and The Ultimate Burger 2.0; house-ground beef, shiitake & portabella mushrooms, porcini and maitake, olive oil and garden herbs. The Ultimate Burger 2.0 also received recognition at PMA, taking first place at the Foodservice National Conference for the mushroom industry.



The burgers were served, the plates cleared, and the Instagram's counted. After more than two months of the Burger Project partnership, the five winners were:

- Chef Dan Nichols, Quaff ON! Bloomington, IN; Triple B, 25% chuck, 25% short rib and 50% sirloin burger is blended with crimini mushrooms, porcini mushroom powder, pimentos and roasted green chiles.
- Chef Carolyn Manning, Blue Southern Comfort, LA; The Blue Mushroom Burger, a healthy, more sustainable burger made with a mushroom beef blend, topped with melted Pepper Jack and sautéed mushrooms.
- Chef Rob Ray, Belly Acres, TN; Mushroom State of Mind, topped with pickled squash, roasted red peppers, bibb lettuce and ginger-lime aioli.
- Chef Lorin Watada, Bachi Burger, Las Vegas, NV; Los Angeles, CA; Pasadena, CA; Wild Mushroom Lamb Tikka Burger, topped with tomato chutney, dill raita, and pickled onion.

- Chefs Fiore Moletz and Kiel Campbell, Burgh'ers, Harmony, PA; James Beard Better Burger Special, a burger and mushroom mix patty topped with spicy avocado cream cheese, roasted red peppers, pickled onions & romaine.

Winning Chef, Dan Nichols, from Quaff ON! commented on *The Blend* and his participation in the campaign. "After reading about the contest, the idea of creating a blended burger intrigued me, so I started testing various recipes. Being in the top five throughout the project came as a surprise to me. Having the opportunity to go to the James Beard House and prepare food will have a profound impact on me as a chef."

From quick serve restaurants, popular chains, burger joints, food trucks, and steakhouses to luxury hotels, James Beard award winners, Iron Chefs and Top Chefs the contest hosted approximately 225 independent restaurants from across the nations, many of whom are now menuing *The Blend*. Over 100,000 burgers were served, 8,000 + Instagrams were posted, and many restaurants shared "this was the most successful special they ever ran," making the concept and initiative a success.

The Blend is On Trend

The Blend is on trend and once again this year, the concept was featured in a number of articles including **Burger Business**, the top burger blog in the industry, and **McCormick**, which included Umami-rich veggies, like mushrooms, in their prestigious "flavor trends report". As the trend continued, the Council was invited to speak at a number of forums including, **Research Chefs Association**, which attracts more than a hundred ingredient manufacturers and meat suppliers; **Johnson & Wales Culinary School**, on behalf of the Research Chefs Association; and at various **Culinary Institute of America** (CIA) events as well as Menu Directions. *The Blend* was also on the agenda at the Midwest and Pacific National Association of College and University Food Service (NACUFS) regional meetings, as well as the National NACUFS conference.



Johnson & Wales Recipe Contest

The Mushroom Council was invited to Johnson & Wales University, one of the top culinary schools in the U.S., on behalf of Research Chefs Association (RCA) to speak about *The Blend*. As part of the program, the Council hosted a recipe contest among the students. The winning dishes include:

- *Forest Fire Chili* which blended shiitakes and white button mushrooms with ground beef, kale, jalapenos, pine nuts and sweet apple cider.
- *Argentinian Empanada* with ground turkey blended with crimini mushrooms, Spanish onions, bell peppers and russet potatoes in a flaky dough empanada.
- *Sassy Salmon Patty* which used ground salmon and white button mushrooms, green bell peppers, white onions and Dijon mustard in a burger format.
- *Lamb and Portabella Mushroom Sausage with Chicken-Infused Orzo* which blended lamb leg and portabellas with lamb stock, lamb fat, turmeric and tarragon in a sausage over orzo.
- *Lamb and Mushroom Sausage* with lamb blended with shiitake, beech and King Trumpet mushrooms with ginger and Dijon mustard. Also included were pickled mushroom caps and cranberry reduction.



America's Career University®

Culinary Institute of America (CIA) Menus of Change & Healthy Menus Collaborative

The Blend was featured at the *Menus of Change* Conference “Better Burger Bash.” Also at the conference, the Council was there to support the “Protein Flip strategy” which includes blending meat with mushrooms to provide a higher quality protein. At the *Healthy Menus Collaborative* conference, the Council met with a number of the top chains in the U.S., as well as large meat suppliers.

National Association of College and University Food Service (NACUFS)

The Council conducted a webinar for college and university dietitians, which was one of four sponsored by NACUFS. Elaine Magee, from Stanford, talked about strategies for reducing calories and included *The Blend*; Arlin Wasserman from Changing Tastes discussed sustainability, including *The Blend*; and The Council ended the webinar by chatting about *The Blend* and its many benefits. The webinar well attended and participants received a USB drive with 15 Blend recipes. At the Midwest NACUFS meeting, the Council presented *The Blend* to a hundred colleges, and at the national conference, the Council participated in two panels—one with Harvard University—to show why *The Blend* is so right for this market.



IFEC

Every year, editors of foodservice publications convene to talk to public relations professionals about trendy stories for the year ahead. The Mushroom Council participated in office hours, educating editors on *The Blend* and how it will be “the trend” in 2016.

At the end of the The James Beard Foundation promotion, after talking about *The Blend* with foodservice editors, The Council demonstrated the power of *The Blend* with a closing event. Two JBF campaign participating chefs, Chef Dave Conn from Village Whiskey in Philadelphia and Chef Garrett Pittler from Barlines in Nashville, prepared their blend burgers for 80 editors and potential partners. They each presented the burgers that they menued during the James Beard Foundation promotion, and the editors had the opportunity to visit with the chefs to learn why they were so supportive of *The Blend*.

SPOTLIGHT: PLATE MAGAZINE EVENT

The Council served guests at the Plate Magazine event on May 17. In conjunction with the Burger Project, Council representatives and celebrity chefs Jehangir Mehta and Maneet Chohan, sampled their blended burgers to those in attendance. Our burger booth, adorned with fresh mushrooms and a photo booth, immediately grabbed the attention of the guests. Our celebrity chefs, who helped serve up burgers, also contributed to the excitement and wow-factor. Chef Jehangir Mehta offered his famous blended Graffiti Burger and Enoki Fries, while Chef Maneet Chauhan handed out samples of her delicious blended Chicken & Mushroom Malai burger. But the “better burgers” didn’t stop there, as guests left the party, they were invited to enjoy a take-home snack from the Windy City Patty Wagon Food Truck, consisting of blended mini sliders. Again, guests were surprised and thrilled to learn that their burgers they loved so much were made with 25% finely chopped mushrooms; a tasty, healthy and sustainable addition.

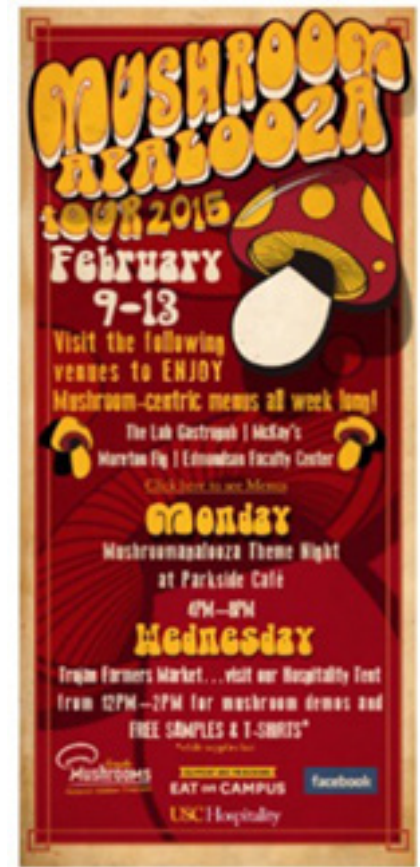
College & University Partnerships Are Making an Impact

College and university foodservice were the earliest adopters of *The Blend*, and their interest remained high as we continued to work with several of the top college foodservices in the nation such as, the University of Iowa, University of Southern California (USC), Penn State University, University of Massachusetts (UMASS), Oklahoma State University and others. Throughout the year, Mushroom Mania style events occupied some of the most influential colleges, including University of Southern California, Penn State, Notre Dame and The University of Massachusetts.



In its 3rd Year, Mushroom Mania Style Events are Still Taking Over Campuses Across the Nation

Mushroomapalooza 2.0 hit the **University of Southern California** the week of February 9. Again, starting with a chef culinary challenge, the campus turned its attention to mushrooms. Throughout the week every dining hall and retail establishment including fast casual restaurant, upscale restaurant, vegetarian/healthy restaurant, gastropubs and others featured mushroom dishes and *The Blend*; one of the favorites being a Portabella Corn Dog. At the midweek Farmer's Market, USC Hospitality, and the Council, served Israeli Couscous with Shiitake Mushrooms and a Kale, Kumquat and Mushroom Salad.



Mushroom Mania revisited **The University of Massachusetts (UMASS)** which is noted as the best foodservice program in the nation, according to Princeton Review. At least 35 mushrooms dishes were created by the staff at UMASS in two different dining halls. One hall featured a "better burger station" with four blended burgers; a salmon-mushroom burger; a Moroccan turkey burger; a Latin pork burger; and an Indian-inspired Graffiti burger. The event ended with a Mushroom Tasting Menu, prepared by Chef Jehangir Mehta, for those who reserved their space at The University Club.

Mushroom Mania made a stop at **Penn State University (PSU)** to promote *The Blend* and to educate students on fresh mushrooms. Five cafeterias, (Findlay Commons, North Food District, Pollock Dining

Commons, South Food District and West Food District) featured special mushroom dishes including; Cream of Mushroom Soup with crimini and portabella mushrooms; a Beef, Pork and Mushroom Blend Slider Burger topped with pesto and a sharp provolone; Grilled Pork Chop with 5 Mushroom Umami Gravy; and a Mushroom and Goat Cheese Flat Bread Pizza. Council representatives, Fred and Denise Recchiuti, from Basciani Mushroom Farm, as well as four student dieticians were available in each cafeteria to promote the mushroom-centric menu items and interact with students. Students had the opportunity to win a Mushroom Mania t-shirt or gift card by testing their knowledge of mushrooms with Mushroom Jeopardy.

Notre Dame University Campus for a Mushroom Mania Event

The first ever “*Burger Bash*” kicked off on September 8th at the University of Notre Dame. Council Representatives were there to not only bring the “*Burger Bash*” to life, but to quiz students on their knowledge of mushrooms, awarding them with free Mushroom Mania t-shirts, while Chef Lance Avery ran a sauté station, sampling a variety of cultivated mushrooms. The “*Burger Bash*” dinner service offered three delicious burgers; Jehangir Mehta’s Graffiti Burger, a Malai Chicken Mushroom Burger, and a Salmon Mushroom Burger. The celebrations ended with a special “*invite only*” four course meal, prepared by Chef Jehangir Mehta, for a select group of student-leaders and foodservice staff. From appetizers to desserts, the lucky bunch savored a variety of mushroom dishes; Mushroom Scallop Ceviche; Lemongrass Black Cod, Shitake, Black Trumpet Dashi; Duck Breast over Zucchini & Enoki Noodles; and an Umami Chocolate Panna Cotta, Maple Bacon Crisp.

Mushrooms on the Menu

Beyond *The Blended Burger Project* partnership with the James Beard Foundation, the Council worked with a variety of restaurants including Firebirds Wood-Fire Grill, Checker’s/Rally’s, Panera Bread, Romano’s Macaroni Grill, Amtrak, Captain D’s and Cosi, among others, to introduce blended and fresh mushroom dishes to promotional and permanent menus.

Other Restaurant Promotions:

- **Carl’s, Jr.** introduced a line of “*All-Natural Burgers*”, which includes *A Mushroom & Swiss All-Natural Burger*; A charbroiled All-Natural beef patty topped with natural hand-picked mushrooms and natural Swiss cheese served on a Fresh Baked Bun.



- **Firebirds Wood-Fire Grill** menued a *Blended Beef and Mushroom Burger* as part of their Winter Lites and a *Pepper-Crusted Burger with Blue Cheese and Port Mushrooms* as part of their summer promotion.

- **McDonald's Steakhouse** *Sirloin Third Pound Burger*; one-third pound burger made with 100% North American sourced sirloin, freshly prepared with sautéed mushrooms, grilled onions and white cheddar, plus creamy peppercorn sauce atop our premium bun.

Sirloin. Done well.

Steakhouse Sirloin Third Pound Burger

One-third pound* burger made with 100% North American sourced sirloin. Freshly prepared with sautéed mushrooms, grilled onions and white cheddar** plus creamy peppercorn sauce atop our premium bun. This burger is limited edition, so enjoy the lovin' while it lasts.

*weight before cooking
**pasteurized process



- **Panera Bread** brought back their *Soba noodles with Chicken*; chicken, soba buckwheat noodles, fresh spinach, napa cabbage blend, roasted mushroom and onion blend, sesame seeds and cilantro in our umami soy-miso broth. As well as the *Soba Noodle Bowl with Edamame*; soba buckwheat noodles, fresh spinach, napa cabbage blend, roasted mushroom and onion blend, fire roasted edamame blend, sesame seeds and cilantro in our umami soy-miso broth.
- **Pizza Hut** has revamped their *Classic Meatball* to include mushrooms; seasoned pork and beef, combined with onions, mushrooms and breadcrumbs.



- **Applebee's** is permanently menuing a *Mushroom Swiss Burger* as one of their 4 All-In Burgers Line; portobello & button mushrooms, smoky mayo & Swiss cheese. They also brought forth several other mushroom dishes such as *Pepper Crusted Sirloin & Whole Grain*; Pepper-crusted sirloin on a bed of hearty whole grains with sautéed spinach, fire-roasted grape tomatoes and portobellos, finished with a light broth and the *Sizzling Double Barrel Whisky Sirloins*; two 4 oz. sirloin steaks, flavored with blackened seasoning, garlic and thyme, served with a mountain of garlic mashed potatoes and topped with red peppers, mushrooms & onions caramelized in the flames of bourbon whisky.



- **Wendy's** brought back their yearly LTO, *Bacon Portabella Melt on a Brioche Bun*.
- **Checker's/Rally's** still featured its successful *Primetime Burger with Mushrooms*; 100% beef burgers, onions, mushrooms and au jus mayo.
- **Veggie Grill** offered an LTO of *Crispy Portabella Fingers* with spices and ranch dressing.
- **Gordon Biersch** is menuing *Prosciutto & Gorgonzola Chips*; house-made potato chips smothered in gorgonzola garlic cream sauce with prosciutto, chardonnay-marinated figs, sautéed crimini mushrooms and green onions.



- **Romano's Macaroni Grill** featured mushrooms on their \$9 Express Menu: *Stuffed Mushrooms*; Italian sausage, goat cheese, spinach, toasted breadcrumbs. As well as in their \$7 in 7 minutes' lunch promotion: *Sausage Rigatoni*; Italian sausage, mushrooms, romano, creamy alfredo, rigatoni.
- **Jack in the Box** served up a *Portobello Mushroom Buttery Jack*.
- **Così** brought back their successful *Portabella Bowl*.
- **The RAM Restaurant and Brewery** got into the game with an *LTO Mushroom Burger*.
- **Old Spaghetti Factory** winter LTO, *Gourmet Swedish Meatballs*; three handmade Sicilian meatballs served with a creamy garlic sauce, fresh oyster, crimini, and shiitake mushrooms on delicious cavatappi noodles.
- **The Silver Diner** highlighted a spring LTO, *Bell & Evans Roasted Chicken Pot Pie*; mushrooms, from Fredericksburg, PA., basil, roasted squash, peas, corn, scallions, tarragon, topped with flaky buttery crust.
- **WayBack Burgers** permanently menus *The Philly Burger* which consists of white American Cheese, Grilled Onions, Mushrooms.

TURKEY PORTA ROYALE



Updated Materials

The Mushroom Council is continuously adding new materials to the foodservice website, www.mushroomsonthemenue.com. The website features information about incorporating mushrooms into meals. New recipes, pertaining to foodservice, have been added throughout the year, including popular recipes from The Burger Project; Turkey Porta Royale Chef Garrett Pittler, Barlines Restaurant, OMNI Hotel, Nashville; Malai Chicken Mushroom Burger, chef Maneet Chauhan, Chauhan Ale & Masala House; Ninja Burger, Chef Clive Berkman, Garden Court Hotel, Palo Alto; and Wood Grilled Border Springs Lamb Burger, Chef Blake Hartwick from Bonterra, Charlotte, NC to name a few.

New sales resources were also developed for the industry website, include a NEW Blend Theory Presentation, Blend Scale, and Blend Calorie Reduction Infographic among others.



SCHOOL NUTRITION PROGRAM

District Promotions Test Blended Burgers

Several promotions were held throughout the country testing blended burgers from manufacturers, the direct delivery of USDA mushrooms to blend in central kitchens and the use of fresh mushrooms via the Farm to School Program.

Savannah Public Schools (GA), Montgomery County Public Schools (MD) and Cypress Fairbanks Public Schools (TX) all hosted blend tests. These districts prepare student's meals in large central kitchens before delivering to the various cafeterias within the districts. Districts with large central kitchens have the ability to blend pallets of Instantly Quick Frozen (IQF) mushrooms with ground meat for pasta sauces, tacos, gravies and more. The schools tested different blend recipes with students and shared results with the USDA. The initial tests helped encourage the USDA to add a direct delivery option to districts and states ordering IQF mushrooms for their student meals.

Philadelphia School District (PA) and San Diego School District (CA) featured local mushrooms in large Farm to School promotions for their Harvest of the Month program. The programs included fresh mushrooms from local farms in the student's salad bars, entrees and as a roasted mushroom side dish. The cafeterias featured

multi-media presentations, salad bar clings and posters featuring mushroom nutritional information for students. San Diego School District with the help of Mountain Mushrooms produced a video illustrating the mushroom growing process. The video was shown in classrooms and shared with parents to further promote the Mushroom Harvest of the Month program.



Students at San Diego Unified enjoying their fresh mushrooms



Blended Marinara for students in Portland Public Schools

Portland Public Schools (OR) and Worcester Public Schools (MA) tested Blend recipes in several of their cafeterias. Both districts incorporated fresh mushrooms into their pasta marinara and chili recipes. Students loved the umami enhanced recipes and they have since been added to the regular menu cycles at both districts.

The Council is working with the state of Montana to incorporate *The Blend* in their “Montana Beef for Montana Schools” program. Several districts in Montana will be incorporating IQF mushrooms with local, Montana beef into burgers, chili, pasta sauce and more. This partnership will also feature a mushroom, Montana lentil and Montana beef burger. Blending will help stretch the burger yields making it more affordable for districts to continue to use local Montana beef.

Baltimore City Public Schools (MD) hosted the Johns Hopkins Blend Burger test in several of their schools earlier in the year. The results of acceptance of *The Blend* burgers among students will be published later in the year.



The foodservice management company Sodexo has announced that they are switching all of their beef burgers served in their over 250 school districts to mushroom blended burgers. The director of culinary for Sodexo was an immediate fan of *The Blend* and has worked with the Council the last two years to develop case studies and test student acceptance to justify the switch. To promote

The Blend Burgers at Sodexo elementary school locations the Council and Sodexo used the Produce Marketing Association’s partnership with Sesame Street to develop salad bar clings and posters for the cafeterias to promote eating more fruits and vegetables at lunch time.

Conferences and Events

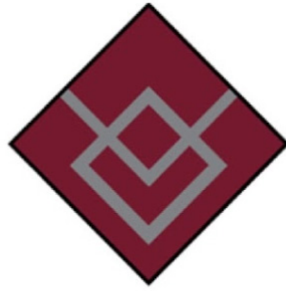
Mushroom Council exhibited and spoke at several school conferences this year including the School Nutrition Association’s Annual National Conference in Salt Lake City, UT. Attendees enjoyed pizza with various Blend toppings. Attendees received mushroom menuing tips, recipes and district case studies. The conference also launched the brand new mushroom Harvest of the Month Kit for school districts. The kit includes mushroom centric classroom materials, cafeteria marketing materials, parent resources and kitchen handling resources all to make featuring mushrooms as the Harvest of the Month program easier to implement for school districts.



The Council also sponsored the Culinary Institute of America’s Healthy Flavors Healthy Kids leadership summit in San Antonio, TX. During the summit attendees participated in a kitchen session to test Blend recipes for a student focus group. Blended meatballs and sloppy joes were among the top five student favorite recipes prepared during the event.

The Council became a founding sponsor of the Culinary Institute’s Healthy Kids Collaborative. The collaborative first met in December at the St. Helena Culinary Institute campus. Collaborative members include district directors from dozens of the top, most influential districts in the country. The Mushroom Council serves as a thought leader for the organization while also participating in the “more produce on the plate” and “creative menuing” working groups. Council President, Bart Minor, and Director of Culinary Services for Sodexo, Lisa Feldman, co-presented a case study on the partnership resulting in the launch of *The Blend* burger to all Sodexo schools.

INDEPENDENT AUDITORS REPORT



Tenney and Company

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Governing Body
Mushroom Council
Redwood City, CA 94065

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of Mushroom Council, an instrumentality of the United States Department of Agriculture, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Mushroom Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the general fund of Mushroom Council, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis and budgetary comparison information on pages 4-6, and 18 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Mushroom Council's basic financial statements. The schedules of general and administrative expenses – budget and actual, the schedule of program expenses – budget and actual, the schedule of cash flows, the schedule of cash receipts and disbursements and the schedule of property and equipment are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 31, 2016, on our consideration of Mushroom Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Mushroom Council's internal control over financial reporting and compliance.



March 31, 2016

MUSHROOM COUNCIL
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION
For The Year Ended December 31, 2015

REVENUES:	<u>2015</u>
Assessments:	
Domestic	\$ 3,965,284
Imports	570,813
Other income and interest	<u>14,592</u>
 Total Revenues	 <u>4,550,689</u>
 EXPENDITURES:	
Administrative expenditures	291,553
Government and professional services - including compliance inspections	 240,397
Research and information expenditures	<u>3,888,811</u>
 Total Expenditures	 <u>4,420,761</u>
 Excess of Revenues over Expenditures	 129,928
 NET POSITION - Beginning of year	 <u>1,363,779</u>
 NET POSITION - End of year	 <u>\$ 1,493,707</u>

MUSHROOM COUNCIL
SCHEDULE OF CASH FLOWS
For The Year Ended December 31, 2015

	<u>2015</u>
CASH FLOW FROM OPERATING ACTIVITIES:	
Excess of revenues over expenditures	\$ 129,928
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation expense	2,828
Loss (gain) on disposal of capital assets	1,468
(Increase) decrease in:	
Accounts receivable	213,282
Prepaid expenses	1,614
Increase (decrease) in:	
Accounts payable	97,277
Accrued wages and payroll taxes	<u>5,805</u>
Net Cash Provided by Operating Activities	<u>452,202</u>
NET CASH FLOW FROM FINANCING ACTIVITIES:	
Cash paid for acquisition of capital assets	<u>(2,408)</u>
Net Cash Used by Financing Activities	<u>(2,408)</u>
Net Increase in Cash	449,794
CASH - beginning of year	<u>967,187</u>
CASH - end of year	<u><u>\$ 1,416,981</u></u>

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

The Governing Body
Mushroom Council

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of Mushroom Council, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Mushroom Council's basic financial statements, and have issued our report thereon dated March 31, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mushroom Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mushroom Council's internal control. Accordingly, we do not express an opinion on the effectiveness of Mushroom Council's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

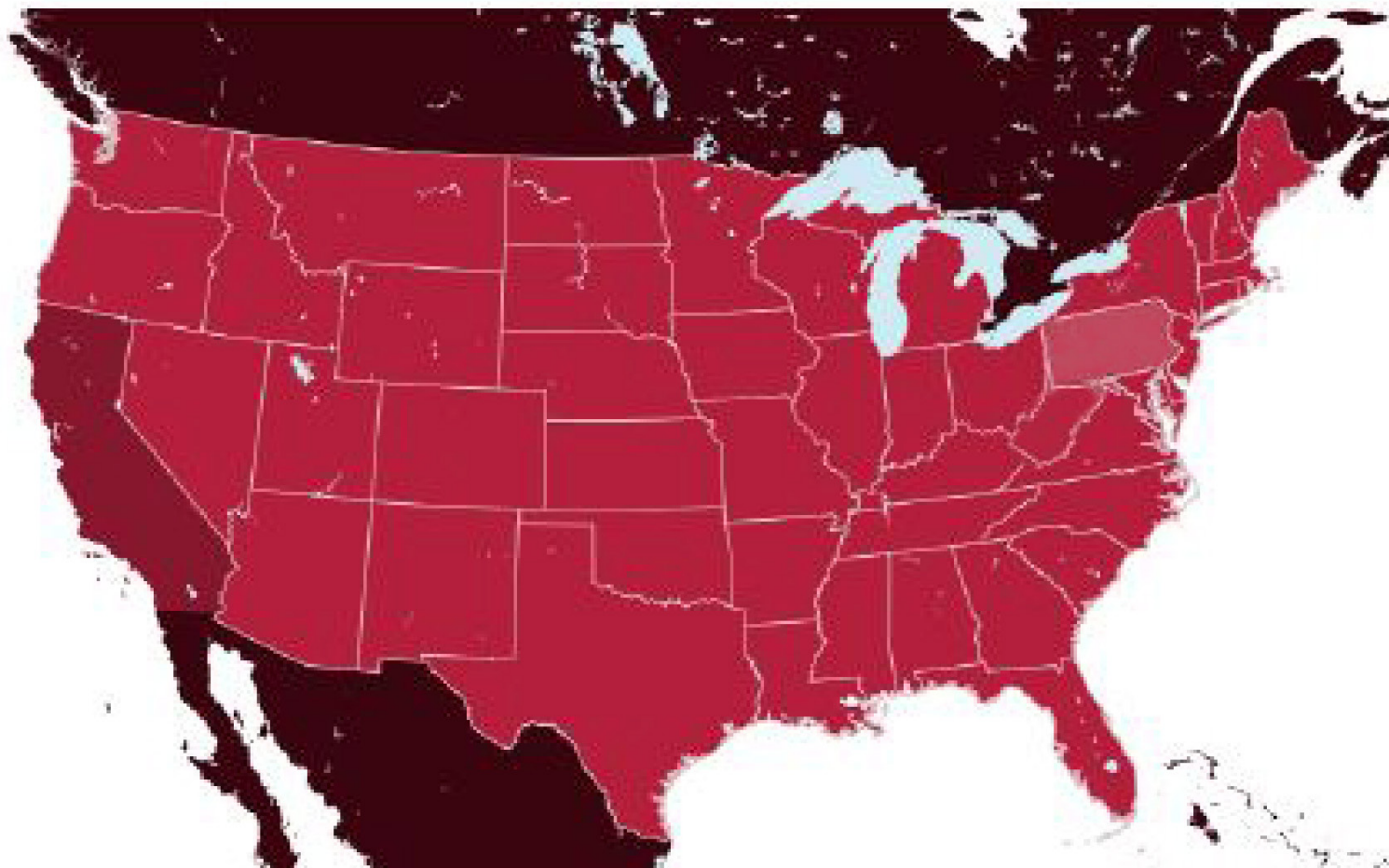
As part of obtaining reasonable assurance about whether Mushroom Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion of the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



March 31, 2016



Region 1



Region 2



Region 3



Region 4, Including Importers

COUNCIL MEMBERS

YEAR	REGION	COUNCIL MEMBER	POSITION
2015	2	Tony D'Amico	Chair
	1	Pat Jurgensmeyer	Vice Chair
	4	Elizabeth O'Neil Meuregh	Secretary
	1	Michael Stephan	
	2	Dave Carroll	
	2	Jim Angelucci	
	2	Gale Ferranto	Treasurer
	3	Robert Murphy	
	3	Roberto Ramirez	
2014	2	Tony D'Amico	Chair
	2	Dave Carroll	
	1	Pat Jurgensmeyer	Vice Chair
	4	Elizabeth O'Neil	Secretary
	3	Roberto Ramirez	
	2	Jim Angelucci	
	2	Gale Ferranto	Treasurer
	1	Charles Bosi	
	3	Robert Murphy	

YEAR	REGION	COUNCIL MEMBER	POSITION
2013	3	Joe Caldwell	Vice Chair Chair
	2	Tony D'Amico	
	1	Fletcher Street	
	2	Dave Carroll	Treasurer Secretary
	1	Pat Jurgensmeyer	
	4	Elizabeth O'Neil	
	3	Roberto Ramirez	
	2	Jim Angelucci	
	2	Gale Ferranto	
2012	2	Jim Angelucci	Chair Treasurer Vice Chair
	2	Jim Howard	
	3	Roberto Ramirez	
	3	Joe Caldwell	
	2	Tony D'Amico	
	1	Fletcher Street	Secretary
	2	Dave Carroll	
	1	Pat Jurgensmeyer	
2011	4	Elizabeth O'Neil	Secretary
	2	Greg Sagan	
	2	Jim Angelucci	
	1	Greg McLain	
	2	Jim Howard	
	4	Hank Vander Pol	Chair Treasurer Vice Chair
	3	Roberto Ramirez	
	3	Joe Caldwell	
2010	2	Tony D'Amico	Chair Secretary Vice Chair Treasurer
	1	Fletcher Street	
	2	Greg Sagan	
	2	Jim Angelucci	
	1	Greg McLain	
	2	Jim Howard	Vice Chair
	4	Hank Vander Pol	
	3	Roberto Ramirez	
2009	3	Joe Caldwell	Chair Secretary
	2	Kathleen Lafferty	
	1	Fletcher Street	
	2	Greg Sagan	
	1	Virgil Jurgensmeyer	
	1	Greg McLain	Vice Chair
	2	Paul Frederic	
	4	Hank Vander Pol	
2008	3	Robert Crouch	Secretary
	3	Joe Caldwell	
	2	Kathleen Lafferty	
	1	Fletcher Street	
	2	Carla Blackwell-McKinney	Treasurer
	1	Virgil Jurgensmeyer	
	1	Greg McLain	
	2	Paul Frederic	Chair
	5	Hank Vander Pol	
	3	Robert Crouch	
2007	3	Joe Caldwell	Chair
	2	Kathleen Lafferty	
	1	Fletcher Street	
	2	Carla Blackwell-McKinney	
	1	Virgil Jurgensmeyer	
	1	Greg McLain	Vice Chair
	2	Paul Frederic	
	5	Hank Vander Pol	
2006	3	Robert Crouch	Secretary
	3	Joe Caldwell	
	2	Kathleen Lafferty	
	1	Fletcher Street	
	2	Carla Blackwell-McKinney	
	1	Virgil Jurgensmeyer	Treasurer
	1	Greg McLain	
	2	Paul Frederic	

YEAR	REGION	COUNCIL MEMBER	POSITION
2007	2	Carla Blackwell-McKinney	Vice Chair
	4	Curtis Jurgensmeyer	Chair
	4	Greg McLain	Treasurer
	2	Lynn James Angelucci	
	3	Charlee Kelly	
	1	Lynn Mortensen	
	2	Paul Frederic	
	5	Hank Vander Pol	
	3	Robert Crouch	Secretary
2006	2	Carla Blackwell-McKinney	Vice Chair
	4	Curtis Jurgensmeyer	Chair
	4	Greg McLain	Treasurer
	2	James Angelucci	
	3	Charlee Kelly	
	1	Lynn Mortensen	
	2	Michael Pratola	
	5	Hank Vander Pol	
	3	Robert Crouch	Secretary
2005	2	Carla Blackwell-McKinney	Treasurer
	4	Curtis Jurgensmeyer	Vice Chair
	4	Darrell McLain	
	2	James Angelucci	Chair
	3	Charlee Kelly	
	1	Vacant	
	2	Michael Pratola	
	5	Murray O'Neil	
	3	Robert Crouch	Secretary
2004	2	Carla Blackwell-McKinney	Treasurer
	4	Curtis Jurgensmeyer	Secretary
	4	Darrell McLain	
	2	James Angelucci	Chair
	3	John Davids	Vice Chair
	1	Lisa Hemker	
	2	Michael Pratola	
	5	Murray O'Neil	
	3	Robert Crouch	
2003	3	Carl Fields	Vice Chair
	2	Carla Blackwell-McKinney	Treasurer
	4	Curtis Jurgensmeyer	Secretary
	2	Dan Lucovich	
	4	Darrell McLain	
	2	James Angelucci	Chair
	3	John Davids	
	5	Murray O'Neil	
	1	Wilhelm Meya	
2002	3	Carl Fields	
	2	Chris Alonzo	
	2	Dan Lucovich	Vice Chair
	4	Darrell McLain	Treasurer
	1	Greg Sagan	
	2	James Angelucci	
	3	John Davids	Chair
	3	Robert Crouch	
	1	Wilhelm Meya	

YEAR	REGION	COUNCIL MEMBER	POSITION
2001	2	Charles Brosius	Chair
	3	Carl Fields	
	2	Chris Alonzo	Secretary
	2	Dan Lucovich	
	4	Darrell McLain	Treasurer
	1	Greg Sagan	
	3	John Davids	Vice Chair
	3	Robert Crouch	
	1	Wilhelm Meya	
2000	2	Charles Brosius	Chair
	2	Chris Alonzo	Secretary
	3	Clark Smith	
	4	Darrell McLain	
	2	James Angelucci	
	3	John Davids	Vice Chair
	3	Shah Kazemi	Treasurer
	1	Greg Sagan	
	1	Vacant	
1999	2	Charles Brosius	Chair
	2	Edward Leo	
	1	Jack Reitnauer	
	2	James Angelucci	
	1	James Howard	
	3	John Davids	
	3	Shah Kazemi	Vice Chair
	4	Virgil Jurgensmeyer	Secretary
	3	William Street, Sr.	Treasurer
1998	3	Douglas Tanner	Chair
	2	Edward Leo	
	1	Jack Reitnauer	
	2	James Angelucci	
	1	James Howard	
	2	Roger Claypoole	
	3	Shah Kazemi	Vice Chair
	4	Virgil Jurgensmeyer	Secretary
	3	William Street, Sr.	Treasurer
1997	3	Douglas Tanner	Vice Chair
	2	Edward Leo	
	2	James Angelucci	
	1	Robert Miller	Chair
	2	Roger Claypoole	
	3	Shah Kazemi	
	4	Virgil Jurgensmeyer	Secretary
	1	Wilhelm Meya	
	3	William Street, Sr.	Treasurer
1996	3	Douglas Tanner	Secretary
	2	James Angelucci	Vice Chair
	2	James Ciarrochi	
	3	John Haltom	
	1	Robert Miller	
	2	Roger Claypoole	Treasurer
	3	Shah Kazemi	Chair
	4	Virgil Jurgensmeyer	
	1	Wilhelm Meya	

YEAR	REGION	COUNCIL MEMBER	POSITION
1995	3	Douglas Tanner	Secretary
	2	Edward Leo	
	2	James Angelucci	Treasurer
	2	James Ciarrocchi	
	3	John Haltom	
	1	Robert Miller	Chair
	3	Shah Kazemi	
	4	Virgil Jurgensmeyer	Vice Chair
	1	Wilhelm Meya	
1994	3	Douglas Tanner	Secretary
	2	Edward Leo	
	2	James Ciarrocchi	Treasurer
	3	John Haltom	
	2	Michael Pia	
	1	Robert Miller	Chair
	4	Virgil Jurgensmeyer	
	1	Wilhelm Meya	Vice Chair
	3	William Street, Sr.	
1993	3	Douglas Tanner	Secretary
	2	Edward Leo	
	2	James Ciarrocchi	Treasurer
	3	John Haltom	
	2	Michael Pia	
	1	Robert Miller	Chair
	4	Virgil Jurgensmeyer	
	1	Wilhelm Meya	Vice Chair
	3	William Street, Sr.	



Mushroom Council
303 Twin Dolphin Drive, Suite 600, Redwood Shores, CA 94065
Tel: 650-632-4250
Email: info@mushroomcouncil.org