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Our Objective & Strategic Priorities

The Mushroom Council plays a very important role in the national promotion of fresh mushrooms through consumer public relations, foodservice communications and retail communications.

Overall Industry Objectives

Forecasted based on historic trend in shipments report and US population projections.

- Increase fresh mushroom per capita consumption from 2.9 in 2018 to 3.1 lbs in 2024 (+13%)
- Increase fresh mushroom shipments by 127 million pounds from 2018 to 2024
- Equates to average annual shipment growth of 2% from 2018 to 2024

Overall Marketing Objectives: Consumer

- Increase awareness of fresh mushrooms
- Increase favorable beliefs and attitudes
- Increase trial
- Increase purchase intention, frequency and amount

Overall Trade Objectives:

- Increase merchandising and promotion of fresh mushrooms across Foodservice and Retail points of distribution
- Increase support of industry sales teams in selling into their respective trade partners
- Maintain momentum of Blend adoption and promotion in K-12, colleges and universities, and foodservice channels
- Expand awareness of and interest in The Blend™ in the Retail channel to support expanded adoption

The Blend™ Positioning

- Mushrooms are the meaty food with major flavor impact, health benefits and culinary versatility
- So, mushrooms and meat combined create a great flavor experience that's also better for you and the planet

Overall Strategies

- Use The Blend[™] as our primary marketing platform to promote the benefits of fresh mushrooms
- Employ a double-barreled message of flavor/taste, followed by "better for you" supported by Nutrition Research.
- Continue to use the blended burger as the gateway food
- Expand and leverage the existing success of foodservice adoption
- Increase direct-to-consumer engagement
- Use partnerships to build credibility and extend resources
- Leverage manufacturing, distribution and promotional scale of large food companies
- Use more integrated and consistent messaging across campaigns and channels
- Prioritize decisions based on facts and ROI
- Share assets and campaign platforms with industry members for their own customization and amplification

Comments from the Chair

Robert Murphy, South Mill Champs

In 2019 the mushroom industry was once again exceeding category growth records in both the retail and foodservice sectors. I was looking forward to highlighting a banner year, but something devastating happened that we all know too well: coronavirus. An unseen enemy that not only decimated our much-needed foodservice sector but changed our normal pace of life. The accomplishments of 2019, such as increasing recognition of mushrooms' sustainability and nutrition benefits, and The Blend's unbelievable growth, have been overshadowed by a major health crisis.

This crisis has negatively affected us all. I have two daughters in the medical field – one in dental and one an ICU Nurse. I personally receive profound updates directly from the frontline. The Mushroom Council is represented by



"We are MUSHROOM STRONG, and our great industry produces one of the most sustainable, great tasting, nutritious and blendable foods on the planet."

members from every region. Council representatives all hail from mushroom farming operations and are working through the same battles as our foodservice partners. The Mushroom Council has and always will have the best interest of the entire industry. Please do not hesitate to reach out to your local representative with any of your concerns, that's why we are here.

Effective marketing strategies that were the result of industry collaboration, consistently reinforced by health and nutrition research, provided a powerful and sustainable message that produced unbelievable results in 2019. That same industry collaboration will once again yield positive results in 2020. I know this might be hard to believe right now, but we are MUSHROOM STRONG, and our great industry produces one of the most sustainable, great tasting, nutritious and blendable foods on the planet.

I look forward to enjoying a meal and a bottle of wine at a restaurant soon!!

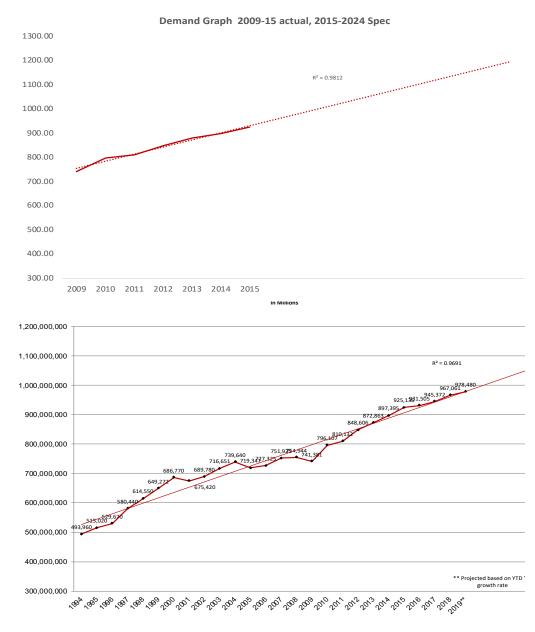
State of the Industry:

Retrospective and Forecast

Yet another year for the record books. That is the same first sentence as in last year's annual report. Why? Because it continues to be true! Unfortunately, as this is being written, the industry is in the midst of another kind of unprecedented event: the collapse of the foodservice market in response to the COVID-19 pandemic. If nothing else, we hope the ongoing strength of the market for mushrooms shown in 2019 and the beginning of 2020 will provide some hope, if not solace to those cruelly impacted by this catastrophe. Mushrooms have continued to make superfood lists and, even more impressively, are TOPPING influential trend lists from the likes of Whole Foods, the National Restaurant Association, and more. Top prognosticators are even suggesting the concept of The Blend™ is most likely to overtake the "plant-based" hype in the long run. Total fresh shipments again set many more new highs in 2019: total pounds, average pounds per month and percentage of total domestic crop, to name a few.

Again, while 2020 has been turned upside down, below is how the future looked through 2019, and there is reason to believe that this strong forecast can and WILL resume once this crisis is over.

Demand vs Supply forecasts



Observations Extracted From Mushroom Council First Handler Reports:

- 9 months of 2019 set new record highs, with a record consecutive run from June-December increasing 2.6%, and December up a whopping 6.5% vs. the year prior, the first month to top 90 million pounds.
- The monthly average for fresh shipments hit a new record high, 81.6 million pounds, with 7 months over 80 million, and summer months averaging 79.6 million fresh pounds. So much for the summer slump!
- Domestic production and shipments continued to be "constrained" (in spite of record yields per square foot, see below) as the strong demand continues to be supplied by record setting imports, which hit a growth rate of 12% for the year, the highest percentage year-over-year gain since 2005.
- Further signs of domestic "constraints" are the further reduction in pounds shipped to processing, fewer retail ads and rising retail prices of fresh mushrooms (see Retail Volume Slows in 2019 below).

- Indeed the year-end retail sales report by IRI indicates average retail prices finished the year up over 2%, while pounds were off roughly 2%.
- Given that total shipments finished the year up over 1%, foodservice sales must have carried the day in 2019; we estimate up 4% in order to overcome the drop in retail volume...and yet deliver overall shipment growth.

Fresh shipments hit a new record high

81.6 MILLION POUNDS

with 7 months over 80 million

Observations Triggered by 2018/19 NASS Report

Please note this survey was modified by the USDA National Agricultural Statistics Service to survey only 8 states, and thus roughly 5% of grower information and any nuances of those growing regions is no longer captured. This is separate from the actual monthly shipments as reported to the Council:

- Fresh agaricus share of total domestic production inched up to a new record high; just over 92%. Processed mushroom volume fell to a record low of less than 70 million pounds. Imports of processed mushrooms remain flat, albeit a significant shift of share to frozen is observed.
- Agaricus yield per square foot and dollars per square foot reportedly hit new highs, up 7% and 10% respectively, due to yet another reportedly record high for prices as well.

Retail Volume Slows in 2019; Prices Hit New Highs

Long term retail category growth has been solid. From 2013 to 2019 the mushroom category has increased retail dollar sales by over \$223 million.

The rate of the category growth slowed slightly in 2019 with category dollar sales flat, and volume down 2%. The lack of volume growth can be attributed to sales decreases of White and Portabella mushrooms.

Overall, the USDA Weekly Advertised Sale Pricing report show that shippers cut back on promotional price more often in 2019 – a 70% drop in number of weeks with advertised sales promotions. December's lack of retail promotions led the mushroom category reach a new overall price of \$4.22/lb during the holiday period from 11/28 – 12/26/2019.

Fresh Mushroom Growth in 2019 – Strong Showing by Foodservice

With 2019 shipment reports showing an increase of 1.35%, and retail volume falling slightly, the foodservice channel is showing the strength and growth in this sector.

Research conducted by Datassential on the foodservice channel in 2019 showed:

- Mushroom usage is on the increase in all restaurants from QSR to fine dining, with numbers on the rise is use on pizza, burgers, breakfast, beef, chicken and appetizers
- Mushrooms are menued at greater price points across all restaurant types.

The Datassential study also showed that 42% of colleges and universities serve The Blend™, both as burgers and in

other entrees. The study estimates at 29,163,360 pounds of blended protein is served annually on campuses. Of those operators that blend in-house, 92% report using fresh mushrooms in their Blend. Additionally, 14% of universities that currently do not serve blended product are very interested in adding it to their dining halls menu, and another 28% are somewhat interested.

Restaurant participation in the 2019 James Beard Foundation Blended Burger Project™ increased, showing more restaurants are adding a blended burger to their menu – and many not just for the contest time frame but as a constant menu item. This year, over 500 restaurants, representing all 50 states, entered the competition – a 40% increase over 2018 entrants.

Estimated total volume of blended protein at C&Us



The forecast for blended protein at C&Us is overwhelmingly positive

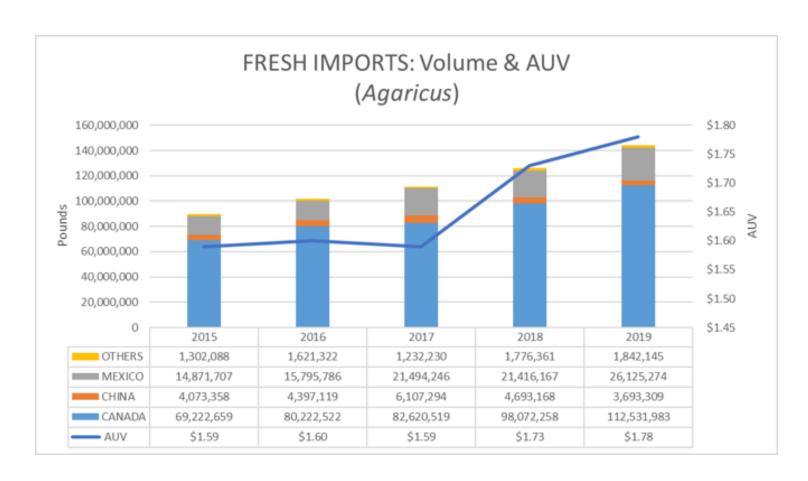


Imports of Fresh Mushrooms Increased

Imports of fresh mushrooms (*Agaricus Bisporus*) increased 14.5 percent in volume over 2018; the average unit value (AUV) increased 2 percent.

Canada continues as the leading exporter of fresh *Agaricus*, for the second year in a row shipping 78 percent of the 144.2 million pounds of fresh mushrooms shipped into the United States. Fresh imports from Canada, for the second year in a row, increased 19 percent over the previous year. Mexico is a distant second, shipping 26 million pounds, an increase of 18 percent over 2018.

The volume of *non-Agaricus* mushrooms, described in the Harmonized Tariff System (HTS) as Not Elsewhere Specified or Indicated (NESOI) and commonly referred to as specialty mushrooms, was 24.3 million pounds, a 1.5 percent decrease over 2018. For the fifth year in a row, the largest exporter is Korea, shipping 57.7 percent of that total. The AUV increased from \$1.00 to \$1.10 for the overall NESOI category between 2018 and 2019.



Marketing Program at a Glance

For over a decade, results from the investment in nutrition research have discovered mushrooms' role in a nutritious diet to help improve consumers' health and lower their risk of modifiable chronic diseases. Under guidance of a scientific nutrition Research Advisory Panel, the **Nutrition Research Program** identifies priority projects that contribute to the credible scientific base to support consumer and nutrition influencer communications efforts. Results of these projects provide timely nutrition content for the Council's website, the e-newsletter Nutrition News about Mushrooms, educational resources for Registered Dietitian Nutritionists and content support for other Council program areas. The Program also monitors and comments on public policy initiatives that impact mushrooms' role in health promotion and dietary guidance.

The goal of the **Consumer Program** is to increase awareness and demand for fresh mushrooms through a strategic mix of targeted media outreach, social/digital campaigns, event activations and influential partnerships.

In 2019, we reached audiences through a variety of channels and activities, including a brand new consumer Blended Burger Contest in partnership with Bon Appétit Magazine, monthly "Blenditarian™" recipe challenges on social media, dozens of cross-promotional partnerships, from commodity groups to top social influencers, and media outreach that placed mushroom atop food trend forecasts - with mushrooms featured in more than 60 trend news articles.

In the **Foodservice Program**, every segment showed activity with The Blend[™]. In Colleges & Universities, which were early adopters, almost 50% have now adopted The Blend[™] and are using more mushrooms as they introduce more plant-forward and plant-based menus. At the same time, many of the major foodservice management companies are continuing to roll out The Blend[™] and use more mushrooms.



This year's James Beard Foundation 5th Annual Blended Burger Project™ was bigger than ever, with more restaurants participating and promoting The Blend™. Winners from Florida, Alabama, Michigan and Hawaii showcased their burgers at the historic Beard House, an event that was covered by hundreds of publications. A number of fast casual brands introduced their version of the meat-mushroom blend, while consumers were able to buy The Blend™ at their favorite supermarkets, as major companies and brands created new products.

2019 for **School Nutrition** was a year of building our available resources for the website. As we look forward to 2020, we are pleased to see so many fresh mushrooms featured in on trend popular school entrees and sides. Unfortunately, it also saw the loss of our USDA IQF mushroom, due to low volume. The good news is we are now focused 100 % on fresh mushrooms going forward.

In 2019, more Mushroom Council™ partners were introduced to National opportunities provided through the School Nutrition Association (SNA). Council representatives attended the SNA Patron's, which provided opportunities to better leverage our membership in SNA.

We have been very pleased to partner with even more major districts in featuring fresh mushrooms as Farm to School and Harvest of the Month.

Memorable Moments

We launched a first-of-its-kind partnership between Bon Appétit and a commodity board: the Blended Burger Project™ "Home Edition." Home cooks rose to the challenge of creating original blended burgers for a chance to win \$25,000 - resulting in nearly 400 unique and creative blended burger recipes entered.

Media in fall 2019 once again consistently placed mushrooms atop food trend forecasts for the year ahead - with mushrooms featured in more than 60 trend news articles. As part of this coverage, in November, Whole Foods named The Blend[™] and the Blended Burger Project a 2020 trend.

Restaurants from all 50 states participated in The 5th Annual James Beard Blended Burger Project. While this year was bigger than ever, the partnership was cited by a significant number of media and organizations, such as Whole Foods, in their prelude to 2020 trends forecast, selecting Mushrooms and The Blend™ as one of the top food trends to watch.

New products were launched by major CPG companies and meat suppliers featuring The Blend™. A major retail chain introduced its version and these companies rolled out product while also helping penetrate foodservice operations.

Research shows that 83% of colleges and universities in the U.S. are using The Blend™ or are interested in The Blend™.

Seven years of partnering in the K-12 channel, our Mushrooms In School brand is now in place and recognized in our channel.

The website has now launched and features the many incredible recipes we have been gathering so we can share how #RealSchoolFood includes delicious nutritious mushrooms. The website also features our Food Literacy materials. Please check them out.



Mushroom Nutrition Research Mini-Summit April 2-3 Identifies Priorities

Over 20 researchers, communicators, practitioners and mushroom growers engaged in a focused discussion to review past research and identify priority researchable topics to raise the visibility of mushrooms in nutrition guidance. Priority topics included neurocognition as an emerging area of interest, the role of bioactives such as ergothioneine in nutrition and health, and food pattern modeling on the impact of adding mushrooms to USDA Food Patterns as a strategic endeavor to inform future Dietary Guidelines Advisory Committees.



Council Invests in Future Research

At its June meeting, the Council approved an investment of approximately \$1.5M over several years to support the following projects:

- Wayne Campbell, Ph. D, Purdue University: Nutrimetabolomics and human health promotion of mushrooms
- Victor Fulgoni, Ph.D, Nutrition Impact, LLC: Food pattern modeling to include mushrooms in USDA healthy dietary patterns
- Peggy Policastro, Ph.D. Rutgers University, New Jersey Healthy Kids Initiative: Identifying mushroom preferences among preschoolers
- Gloria Solano-Aguilar, Ph.D., USDA Beltsville Human Nutrition Research Center: Dietary mushrooms in promoting brain health in an animal model
- Claire Williams, University of Reading, UK and Barbara Shukitt-Hale, Tufts University: A randomized controlled trial to investigate the cognitive, neurological and metabolic effects of acute and chronic mushroom intervention in older adults
- Katherine Phillips, Ph.D, Virginia Tech; Analysis of mushroom bioactives/ergothioneine for inclusion in the USDA FoodDataCentral database

Mushroom Visibility in National Nutrition Policy Raised

On July 11,2019, in Washington D.C., Gale Ferranto, President of Buona Foods and former Mushroom Council Chair along with Dayle Hayes, President of Nutrition for the Future addressed the Dietary Guidelines Advisory Committee supporting The Blend™ as a way to improve nutrient intake.

"The U.S. mushroom industry has spent the past two decades investing in scientific research to better understand the nutrient composition and benefits of mushrooms. One result of that research has been the creation of a very practical culinary concept we call "The Blend™ " – the idea that combining ground meat with finely chopped mushrooms creates more nutritious, delicious versions of iconic American dishes, such as burgers."

- Gale Ferranto

"School meal planners have learned how to balance student acceptance with enhanced nutrition – lowering fat, cholesterol and sodium by serving cost-effective, flavorful entrées that blend meat proteins with vegetables like mushrooms, peppers and onions. These efforts are influencing student eating patterns at school and beyond. Blending meat and vegetables also helps to reduce overall food waste in schools and to establish an early foundation for the healthy eating patterns that are known to help reduce the burden of chronic diseases."

- Dale Hayes



- Vitamin D When the Sunshine Vitamin Meets
 Winter reminded readers that mushrooms are the only source of vitamin D in the produce aisle and one of the few non-fortified food sources.
- Top Researchers Convene to Discuss Mushrooms' Role in Dietary Guidance described the discussion and outcomes of the April 2,3 Nutrition Research Mini-Summit.
- Mushrooms and the 2020-2025 Dietary Guidelines reported on the July 11 in person comments by Gale Ferranto, Buona Foods and Bella Mushroom Farms, and Dayle Hayes, school-based nutrition program consultant to the Dietary Guidelines Advisory Committee emphasizing mushrooms as a solution to helping consumers improve the nutrient quality of their food choices. Ferranto discussed research behind the "Blend" to create more nutritious, delicious versions of iconic American dishes. Hayes commented on increasing vegetable consumption in children, focusing on mushrooms and The Blend™ on school menus throughout the country.
- Managing Prostate Levels with Mushrooms,
 According to New Study described results small pilot
 study that enabled Dr. Shiuan Chen, City of Hope,
 Duarte, CA to apply and receive a \$3.36 million National
 Institutes of Health grant for a larger clinical studying
 the effects of white button mushrooms on the risk of
 recurring prostate cancer.



Nutrition Promotion

Academy of Nutrition and Dietetics Food and Nutrition Conference and Expo

The Mushroom Council has been a longtime supporter of the Academy of Nutrition and Dietetics, an organization reaching thousands of dietitians throughout the world. Its annual conference, the Food and Nutrition Conference and Expo (FNCE), is the premier event for engaging with dietitians of all types. With the 2019 conference taking place in Philadelphia, the Council had a more significant presence than previous years by exhibiting at the Expo and hosting a pre-FNCE RD farm tour in Kennett Square.

Over the three-day conference, the Council served some of the Expo floor's favorite bites from blended burgers to vegan Philly "steak" sandwiches. More than 800 dietitians were added to the Council's database and attendees left with recipe cards, nutrition fact sheets, buttons, totes and T-shirts.

Retail Dietitian Farm Tour

With FNCE taking place in Philadelphia, the Mushroom Council leveraged the opportunity with a farm tour specifically for media RDs. Increasing engagement with media RDs has been a focus of the marketing program for the past few years and the Council assembled a mix of established national media dietitians, longtime mushroom supporters and up-and-coming RDs who have amassed a strong online following.







Retail Program

Fifth Annual Retail Promotion with the Beef Checkoff

In summer 2019, the Mushroom Council and the Beef Checkoff partnered for the the 5th annual retail grilling promotion to encourage shoppers to pair veal and mushrooms while entering the summer sweepstakes to win \$500 in free groceries. Specifically marked packs of veal featured a new veal-mushroom recipe, Grilled Blended Meatballs with Sweet Teriyaki Glaze, developed by Jess Pryles (CEO of Hardcore Carnivore). The "Veal and Mushroom Summer Grilling Promotion" was shared through on-pack recipe labels, social media, e-blasts, websites, a press release and through a Facebook Live cooking demonstration on Jess Pryle's Facebook page.



1,770+ Stores Participted in the on-pack promotion

99,000+

on-pack recipe labels distributed

Nearly

150,000

consumers particpated in the sweepstakes

The Mushroom Council increased our consumer mailing list by

10,000 NEW FANS



Whole Kids Foundation Partnership and Promotion

Whole Kids Foundation is the latest organization to partner with the Mushroom Council to promote The Blend™ in an effort to improve children's nutrition and to help families make healthier choices. Along with Whole Kids Foundation, teen chef and MasterChef Junior finalist Evan Robinson shared his favorite ways to blend mushrooms and meat with two new recipes: Blended Mushroom Nachos and "Evanated" Pizza Burgers. The recipes, along with videos, are featured on Whole Kids Foundation's website as well as on the social media channels for Whole Kids Foundation, Mushroom Council and Blenditarian™.

The Mushroom Council chose to work with the Whole Kids Foundation because of its united belief that supporting schools and inspiring families improves children's nutrition and wellness. Given the right opportunities, kids will get excited about fresh vegetables, whole grains and other nutritious whole foods.

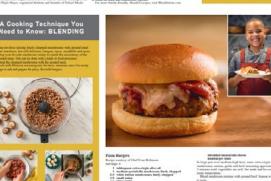
In addition, a full-page color feature was released, highlighting how to blend as well as easy-to-prepare family-friendly recipes. This release garnered 536 earned placements with an estimated impressions reach of 2.5 million.

2.5 MILLION IMPRESSIONS









Consumer Media

Nutritious. Delicious. Sustainable. Blendable. Mushrooms Earn Media Attention from all angles.

Total 2019 media coverage:

31,732 ARTICLES
2.1 BILLION IMPRESSIONS

Blend-Only 2019 Coverage:

3,218 ARTICLES
332 MILLION IMPRESSIONS

From national TV shows to buzz-generating online outlets, and from glossy lifestyle magazines to daily newspapers, media of all types centered on mushrooms in 2019 - and for a variety of reasons.



The Blend™

Dr. Oz declared a blended burger the best innovative burger at fast food, superior to the emerging plant-based meat trend. "The core burger is there," he noted. Shape magazine devoted pages with a step-by-step guide to building a blend. This year's Blended Burger Project once again earned dozens of local news stories nationwide, with chef centric articles in outlets such as the Cleveland Plain Dealer and the Los Angeles Times sharing how mushrooms make their burgers even more delicious and sustainable.

Versatility

Costco Connection, one of the largest print publications, shared the many ways mushrooms can be incorporated into meals, while Real Simple showed why consumers are "adding mushrooms to everything from coffee to smoothies."









Health

Time magazine took time to spotlight mushrooms' diverse nutritional benefits, while Eating Well centered on the "five amazing health benefits."

Mushrooms back at the top of trend lists

In fall 2019, media representing an array of categories once again declared mushrooms a top trend in their forecast for the year ahead. More than 60 articles in outlets such as Wall Street Journal, SmartBrief, Forbes, CNN, Eater, USA Today, Fast Company, Business Insider, CNN and Food Navigator.

Trade media spotlight mushrooms in more than 76 stories.

Consistent coverage in outlets such as Produce News, The Packer, Restaurant Business, FreshPlaza, Produce Retailer, Flavor & Menu, Produce Business and more.

WHOLE FOODS
NAMES THE BLEND™
AND THE BLENDED
BURGER PROJECT™
A 2020
TOP FOOD TREND.



Social/Digital Partnerships Key in Reaching Consumer Audiences

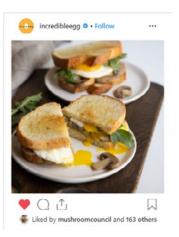
Throughout 2019, the Mushroom Council activated ongoing and timely seasonal campaigns to reach consumers on social and digital spaces. Essential in making these campaigns successful were strategic partnerships with influencers, media, produce peers and others to help extend the reach of messaging for mushrooms and The Blend™ and ultimately grow mushroom consumption.

2019 Social Activities

- **Shroom Goals**: Mushrooms' role in achieving 2019 goals: from nutrition to cooking
- **Shroommates**: "Pairings" with other commodity groups to cross-promote recipes
- Mushroom Madness: A series of interactive polls for fans to vote for favorite mushroom recipes
- Earth Month Dinners: Meal inspiration featuring earthfriendly mushrooms
- Summer Grilling with Veal: 5th annual partnership and sweepstakes promotion
- Monthly #Blenditarian Recipe Challenges: Monthly challenge to create a blended recipe to enter to win a \$50 grocery gift card.







A Mushroom a Day

To position mushrooms as an easy to incorporate into any time of the day, every day, the "A Mushroom a Day" campaign encouraged consumers to add mushrooms to the grocery list as a pantry staple. Throughout the month of September, Mushroom Council™ engaged 10 partners, including dietitians, social influencers and other commodity groups, to bring more than 140 social media posts to fans, and garner **2.2 million impressions**.



Mushroom Council x Bon Appetit

As the flagship campaign of the year, the partnership between Bon Appétit and Mushroom Council was a first-of-its-kind partnership between Bon Appétit magazine and a commodity board. A custom program was designed to bring blended burgers to the masses:

- A test-kitchen video demonstration featuring Bon Appétit test kitchen director Chris Morocco's original "Blended Smash Burger"
- The first-ever Blended Burger Contest for home cooks challenging them to build a blended burger for a chance to win \$25k
- Influencer content featuring custom blended burgers to launch contest
- Articles on Bon Appétit.com ("4 Benefits to Making a Blended Burger" and "Add This Ingredient to Your Grocery List, Stat")
- Bon Appétit social posts and digital banner ads driving readers to Mushroom Council content

19.4 MILLION

consumer impressions

4.5+ MILLION

Video Views

4.6+ MILLION

Social Engagements

Nearly

400

original blended burger contest entries

Continued buzz on social with The Blend[™] campaign hashtags.

#Blenditarian



1,657

Social media posts with hashtag



456

Users posting with hashtag



25,253

Engagements with hashtagged



Reach of hashtagged posts

5,255,772



Hashtag Impressions

14,891,298

Blenditarian™ Keywords

veggles beefmushroom
enchiladas easyflavor
burger MUShrooms
finely blended sustainable
chopped meat create
deliclous meal
recipe
ground blend

#BlendedBurger



1,345

Social media posts with hashtag



242

Users posting with hashtag



59,270

Engagements with hashtagged posts

Blended Burger Hashtags

#healthymeals
#meatyouhalfway
#grateful #healthymoms
#keto #blenditarian
#veggies #millennialsrock
#plantforward #flexitarian
#eatgrateful #realfood
#allergyfree #paleo #eatgreatbebetter
#sustainablefood
#meatthefuture #blendedburgerproject

#burger #mushrooms



Reach of hashtagged posts

1,441,609



Hashtag Impressions

3,256,367



Foodservice Program

The Blend[™] remains the focus of strong activity across all segments in foodservice.

Colleges & Universities Are The Centerpiece of Blend Usage

Because Colleges & Universities have been early adopters and significant users of The Blend™, The Mushroom Council commissioned Datassential, a major foodservice research company, to determine penetration in this important segment which includes 4,380 colleges and universities. College students care about sustainability and have been demanding more plant-based menus using mushrooms and plant-based proteins as well as plant-forward menus featuring The Blend™ as they become more "Flexitarian" in the way they eat.

The 2019 research showed how well Dining Directors are meeting the needs of their guests. Here are some key highlights:

- 86% of all Colleges & Universities in this country are aware of The Blend™
- 42% currently serve The Blend[™] and another 41% are interested in serving
- The largest method for serving The Blend[™] (32% of users) is by making it in-house with fresh mushrooms
- Over the past two years 52% of Colleges & Universities say they are using more Blended items
- Over the next two years, 65% say they plan to use more

32% OF C&U'S SERVING THE BLEND

are using fresh mushrooms and blending in-house.

The Council continues to work with this segment, and in 2019, a number of large state universities launched their version of

The Blend[™], while a top Foodservice Management company rolled out a Blend of grassfed beef and fresh roasted mushrooms to all their campus locations. Like many others colleges & universities, the only burger or ground meat product available in dining is The Blend[™].

The Blend™ Creates a Chain Reaction

Coming off a year when Sonic made the biggest impact with chains, other chains continued the momentum around The Blend™. **SONIC**© actually started 2019 with an LTO featuring their Blended Chili which had a complete serving of vegetables, perfect for a healthy way to kick off the year. **The Counter**, a fast-casual burger chain, also started the year with their Blended Burger which they promoted as a perfect way to start off the new year.

Several other small and regional chains explored The Blend $^{\text{\tiny M}}$. One of those was **B. Good**, an 80-unit chain based in Boston. With stores throughout the East Coast, B. Good introduced their Turkey Medley as part of their "Flexitarian Menu." This turkey-mushroom burger is one of the most successful launches for B. Good and has now replaced its regular Turkey Burger on the permanent menu. B. Good presented to the International Foodservice Editorial Conference along with the Council on trends around The Blend™ and the performance of their Turkey Medley Burger. WOW Brands, which has branded concepts at colleges, military bases, healthcare operations and hotels, worked with the Mushroom Council to develop two different Blended Burgers. At the end of the year, **Kum & Go**, a major convenience chain with a focus on fresh foods has introduced its version of The Blend™, and a number of other fast casual and casual restaurants have reached out to the Mushroom Council for help with menuing.









Product Development

Consumers across the country saw The Blend™ appear on retail grocery shelves. Many of the products that The Mushroom Council™ team worked on have launched. Many of these products are available at both retail and foodservice, some at retail only and some just at foodservice. Applegate is offering a beef-mushroom and a turkey-mushroom Blended burger. Bush Beans has a product made with beef, beans and mushrooms,

and Teton Waters Ranch has three different retail Blended products. Big Fork has introduced the first Blended sausage at a major national retailer. Our chefs have worked with many of the top meat suppliers on behalf of chains and products are being readied for distribution.







Restaurants From All 50 States Participate in the 5th Annual Blended Burger Project™



For the first time, nearly 500 restaurants from every state served and promoted their Blended Burger in the 5th Annual James Beard Foundation's Blended Burger Project. This initiative was created by The Council in partnership with James Beard Foundation as a way to encourage chefs to create a great-tasting burger with at least 25% mushrooms that is good for consumers and the environment. This year, these special chefs blended mushrooms with more varied proteins than ever before — from beef and pork to seafood and poultry, with almost 15% of the entries blending with popular plant-based protein products or making their own plant-based mushroom burgers.

The top 25 restaurants with the highest votes were reviewed by a judging panel - Chris Morocco, Senior Food Editor, Bon Appétit; David Stample, Celebrity Chef and Philanthropist; Erika Nakamura and Jocelyn Guest, Star Butchers and Co-Founders, J&E SmallGoods – and narrowed to the final five.

Chefs from the winning restaurants will now have the opportunity to cook their blended burgers at the historic James Beard House in New York City on October 23. Winners will also be taking home \$5,000 each. Winners also took home \$5,000 each.



The Psychedelic

Phish Burger

The Blended Burger

Company, Titusville, FL

The Viva Ybor! Burger

The Maui Ono

Mushroom Burger



School Nutrition Program

We have been very pleased to partner with some major districts who pioneered the back of the house blending of IQF USDA mushrooms, most of whom also have long utilized fresh mushrooms in their operations.











































School Year 2017/18

Total Servings: 42,042,928

> Share: 0.8409% Total School

> > Lunch Based on 5 Billion

servings per year

Total Pounds of

Mushrooms: 2,520,970 Fresh Pounds: 1,600,000 Frozen Pounds: 920,970

School Year 2018/19

Total Servings: 46,400,000

0.928% Total School Lunch Share:

Based on 5 Billion servings

per year

Total Pounds of

Mushrooms: 2,9000,000 Fresh Pounds: 2,000,000 Frozen Pounds: 900,000



Why fresh mushrooms are growing in schools

Continued growth of local days/meals

Cost

Availability

Culinary impact

Versatility

Acceptability

Trends





School Nutrition Industry Conference

January 2019, Austin Texas

The SNIC show is a premier conference for school nutrition leaders and their industry partners. This annual show welcomes over 600 attendees.

Mushrooms in Schools presented at an Innovative Session with sensory testing and fresh mushroom education to great interest from top districts from AZ to MN

The MIS team will also be presenting at the Table Top luncheon, sharing recipe concepts from districts across the country.

Child and Adult Care Feeding Program (CACFP) Conference

2019 was Mushrooms in School initial participation with an exhibit featuring child care friendly recipes and the origins of our Farm to School Materials

With over 1700 attendees from across the country it was a large event and we learned a lot about this market. Our school nutrition specialist presented two educational session on meal planning and menus and was well received.



School Nutrition Association Annual National Conference

St. Louis MO

Culinary specialist Malissa Marsden promoted bright mushrooms, and other USDA Foods through educational sessions - with Creative recipes featuring #REALSchoolMeals with Mushrooms.

Our Exhibit hall booth promotes fresh and IQF with a sensory taste test with Chef Robert that pulled all the USDA folks in and showcased mushrooms to thousands of food show attendees.

There were many other booths sampling Ramen noodles and all of the companies featured mushrooms!



Ramen Bars Drive Fresh Mushrooms

2019 was the roll out of Ramen bard from manufactures such as Tyson and other Asian suppliers all feature fresh mushrooms.





More Mushroom Entrees







Tullahoma City SD TN features a Cowboy Burger; Gwinnett County SD, GA is the largest district in Gawith almost 200,000 Enrolled. This very popular burger is menued every three week; Coppell ISD featured a Back to School Burger Bar.





More entrees County SD, IN with roasted mushrooms and Portland SD featuring Yakisoba Noodles.

Independent Auditors Report



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, 2018, 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 Statement

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, 2018, 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 19 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, and the Schedule of Cash Receipts and Disbursements 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.

Report on Summarized Comparative Information

We have previously audited Mushroom Council's 2017 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated April 30, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 16, 2019, 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 solely 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 the effectiveness of the Mushroom Council's 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.

Tenney and Company

MUSHROOM COUNCIL STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION

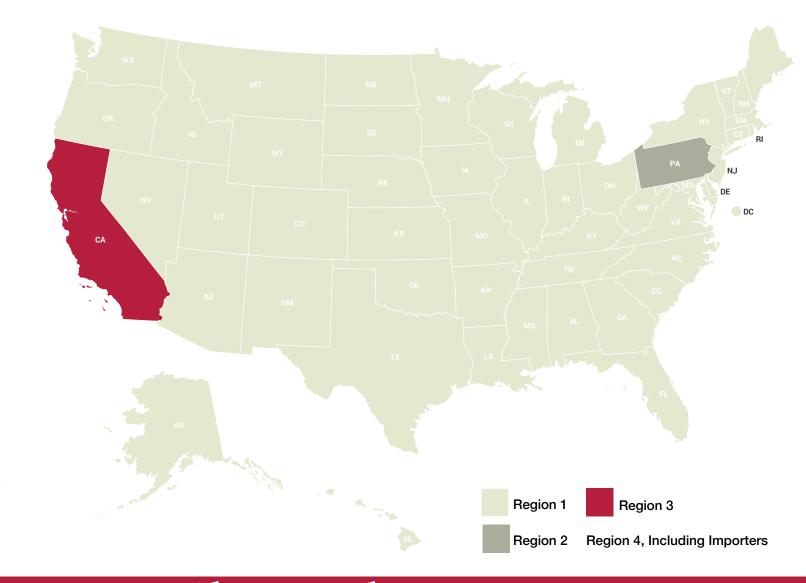
For The Year Ended December 31, 2019 (With Comparative Information for December 31, 2018)

REVENUES:		2019	2018
Assessments:	_		
Domestic	\$	4,147,471 \$	4,310,285
Imports		922,820	823,278
Other income and interest	_	17,954	25,040
Total Revenues	_	5,088,245	5,158,603
EXPENDITURES:			
Administrative expenditures		314,479	318,528
Government and professional services -			
including compliance inspections		107,729	174,215
Research and information expenditures		4,917,709	4,878,454
Total Expenditures	_	5,339,917	5,371,197
Excess of Expenditures over Revenues		(251,672)	(212,594)
NET POSITION - Beginning of year	_	1,071,981	1,284,575
NET POSITION - End of year	\$ _	820,309 \$	1,071,981

MUSHROOM COUNCIL STATEMENTS OF CASH FLOWS

For The Year Ended December 31, 2019 (With Comparative Information for December 31, 2018)

		2019	2018
CASH FLOW FROM OPERATING ACTIVITIES:			
Excess of expenditures over revenues	\$	(251,672) \$	(212,594)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation expense		1,787	2,013
Loss (gain) on disposal of capital assets		1,209	-
Bad debt		28,689	55,278
(Increase) decrease in:			
Accounts receivable		103,740	(86,967)
Allowance for uncollectible receivables		(66,425)	69,186
Prepaid expenses		3,500	(2,665)
Increase (decrease) in:			
Accounts payable		(205,769)	(41,739)
Accrued wages and payroll taxes	_	(1,992)	2,245
Net Cash Used by Operating Activities	_	(386,933)	(215,243)
Net Decrease in Cash		(386,933)	(215,243)
CASH - beginning of year	_	1,195,914	1,411,157
CASH - end of year	\$_	808,981 \$	1,195,914



Council Members

YEAR	REGION	COUNCIL MEMBER	POSITION
	1	Michael Stephan	
	1	Curtis Jurgensmeyer	
	2	Joe Caldwell	
2010	2	Sonya Beltran	
2019	2	Meghan Klotzbach	
	3	Bob Murphy	Chair
	3	Emily Bettencourt	
	4	Jane Rhyno	
	1	Michael Stephan	Treasurer
	1	Curtis Jurgensmeyer	
	2	Bob Besix	
	2	Joe Caldwell	
2018	2	Sonya Beltran	Secretary
	2	Gale Ferranto	Chair
	3	Robert Murphy	Vice Chair
	3	Fred Fitz, Jr.	
	4	Jane Rhyno	

YEAR	REGION	COUNCIL MEMBER	POSITION
2017	1 1 2 2 2 2 2 3 3 4	Pat Jurgensmeyer Michael Stephan Bob Besix Dave Carroll Sonya Beltran Gale Ferranto Robert Murphy Fred Fitz, Jr. Elizabeth O'Neil Meuregh	Chair Vice Chair Treasurer Secretary
2016	1 1 2 2 2 2 2 3 3 3	Pat Jurgensmeyer Michael Stephan Bob Besix Dave Carroll Sonya Beltran Gale Ferranto Robert Murphy Fred Fitz, Jr. Elizabeth O'Neil Meuregh	Chair Vice Chair Treasurer Secretary
2015	2 1 4 1 2 2 2 2 2 3 3	Tony D'Amico Pat Jurgensmeyer Elizabeth O'Neil Meuregh Michael Stephan Dave Carroll Jim Angelucci Gale Ferranto Robert Murphy	Chair Vice Chair Secretary Treasurer
2014	2 2 1 4 3 2 2 2 1 3	Tony D'Amico Dave Carroll Pat Jurgensmeyer Elizabeth O'Neil Roberto Ramirez Jim Angelucci Gale Ferranto Charles Bosi Robert Murphy	Chair Vice Chair Secretary Treasurer
2013	3 2 1 2 1 4 3 2 2	Joe Caldwell Tony D'Amico Fletcher Street Dave Carroll Pat Jurgensmeyer Elizabeth O'Neil Roberto Ramirez Jim Angelucci Gale Ferranto	Vice Chair Chair Treasurer Secretary
2012	2 2 3 3 2 1 2 1 4	Jim Angelucci Jim Howard Roberto Ramirez Joe Caldwell Tony D'Amico Fletcher Street Dave Carroll Pat Jurgensmeyer Elizabeth O'Neil	Chair Treasurer Vice Chair Secretary

YEAR	REGION	COUNCIL MEMBER	POSITION
2011	2 2 1 2 4 3	Greg Sagan Jim Angelucci Greg McLain Jim Howard Hank Vander Pol Roberto Ramirez	Secretary
	3 2 1	Joe Caldwell Tony D'Amico Fletcher Street	Chair Treasurer Vice Chair
2010	2 2 1 2 4 3 3 2	Greg Sagan Jim Angelucci Greg McLain Jim Howard Hank Vander Pol Roberto Ramirez Joe Caldwell Kathleen Lafferty Fletcher Street	Chair Secretary Vice Chair Treasurer
2009	2 1 1 2 4 3 3 3 2	Greg Sagan Virgil Jurgensmeyer Greg McLain Paul Frederic Hank Vander Pol Robert Crouch Joe Caldwell Kathleen Lafferty Fletcher Street	Chair Secretary Vice Chair Treasurer
2008	2 1 1 2 5 3 3 2 1	Carla Blackwell-McKinney Virgil Jurgensmeyer Greg McLain Paul Frederic Hank Vander Pol Robert Crouch Joe Caldwell Kathleen Lafferty Fletcher Street	Chair Vice Chair Secretary Treasurer
2007	2 4 4 2 3 1 2 5 3	Carla Blackwell-McKinney Curtis Jurgensmeyer Greg McLain Lynn James Angelucci Charlee Kelly Lynn Mortensen Paul Frederic Hank Vander Pol Robert Crouch	Vice Chair Chair Treasurer Secretary
2006	2 4 4 2 3 1 2 5 3	Carla Blackwell-McKinney Curtis Jurgensmeyer Greg McLain James Angelucci Charlee Kelly Lynn Mortensen Michael Pratola Hank Vander Pol Robert Crouch	Vice Chair Chair Treasurer Secretary

YEAR	REGION	COUNCIL MEMBER	POSITION
2005	2 4 4 2 3 1 2 5 3	Carla Blackwell-McKinney Curtis Jurgensmeyer Darrell McLain James Angelucci Charlee Kelly Vacant Michael Pratola Murray O'Neil Robert Crouch	Treasurer Vice Chair Chair Secretary
2004	2 4 4 2 3 1 2 5 3	Carla Blackwell-McKinney Curtis Jurgensmeyer Darrell McLain James Angelucci John Davids Lisa Hemker Michael Pratola Murray O'Neil Robert Crouch	Treasurer Secretary Chair Vice Chair
2003	3 2 4 2 4 2 3 5 1	Carl Fields Carla Blackwell-McKinney Curtis Jurgensmeyer Dan Lucovich Darrell McLain James Angelucci John Davids Murray O'Neil Wilhelm Meya	Vice Chair Treasurer Secretary Chair
2002	3 2 2 4 1 2 3 3 3	Carl Fields Chris Alonzo Dan Lucovich Darrell McLain Greg Sagan James Angelucci John Davids Robert Crouch Wilhelm Meya	Vice Chair Treasurer Chair
2001	2 3 2 2 4 1 3 3 1	Charles Brosius Carl Fields Chris Alonzo Dan Lucovich Darrell McLain Greg Sagan John Davids Robert Crouch Wilhelm Meya	Chair Secretary Treasurer Vice Chair
2000	2 2 3 4 2 3 3 1 1	Charles Brosius Chris Alonzo Clark Smith Darrell McLain James Angelucci John Davids Shah Kazemi Greg Sagan Vacant	Chair Secretary Vice Chair Treasurer

YEAR	REGION	COUNCIL MEMBER	POSITION
1999	2 2 1 2 1 3 3 4	Charles Brosius Edward Leo Jack Reitnauer James Angelucci James Howard John Davids Shah Kazemi Virgil Jurgensmeyer	Chair Vice Chair Secretary
1998	3 3 2 1 2 1 2 3 4 3	William Street, Sr. Douglas Tanner Edward Leo Jack Reitnauer James Angelucci James Howard Roger Claypoole Shah Kazemi Virgil Jurgensmeyer William Street, Sr.	Treasurer Chair Vice Chair Secretary Treasurer
1997	3 2 2 1 2 3 4 1 3	Douglas Tanner Edward Leo James Angelucci Robert Miller Roger Claypoole Shah Kazemi Virgil Jurgensmeyer Wilhelm Meya William Street, Sr.	Vice Chair Chair Secretary Treasurer
1996	3 2 2 3 1 2 3 4 1	Douglas Tanner James Angelucci James Ciarrochi John Haltom Robert Miller Roger Claypoole Shah Kazemi Virgil Jurgensmeyer Wilhelm Meya	Secretary Vice Chair Treasurer Chair
1995	3 2 2 2 2 3 1 3 4	Douglas Tanner Edward Leo James Angelucci James Ciarrocchi John Haltom Robert Miller Shah Kazemi Virgil Jurgensmeyer Wilhelm Meya	Secretary Treasurer Chair Vice Chair
1994	3 2 2 3 2 1 4 1 3	Douglas Tanner Edward Leo James Ciarrocchi John Haltom Michael Pia Robert Miller Virgil Jurgensmeyer Wilhelm Meya William Street, Sr.	Secretary Treasurer Chair Vice Chair

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



Mushroom Council™
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