

2014 ANNUAL REPORT





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• OUR OBJECTIVE

- The Mushroom Council plays a very important role in the national
- promotion of fresh mushrooms through consumer public relations,
- foodservice communications and retail communications. Many
- different venues are used to promote fresh mushrooms to
- consumers, such as working with professional chefs in developing
- and promoting new recipes, working with produce department
- managers to maintain the highest quality mushroom product for
- customers and sending out thousands of brochures each year to
- consumers hungry for new mushroom ideas.



COMMENTS FROM THE CHAIR



TONY D'AMICO
TO-JO MUSHROOMS, INC.

These are exciting times for our industry. The interest in blendability is growing beyond expectations. Demand for fresh mushrooms is increasing. Production yields are up as many growers continue to invest in new science and technology. Today, consumers are expanding their palate for mushrooms as we see encouraging growth in many non-core varieties.

On behalf of my fellow board members, I would like to extend our appreciation to the council's staff for their hard work and dedication. As 2014-15 Chair of the Mushroom Council, I couldn't be more honored to serve with such a great group of individuals.

In 2014, blendability moved well beyond a concept or an idea. Blendability is now a buzz word that is finding its way into the vocabulary of key food influencers around the country. However, we have only scratched the surface of this trend. In the remainder of 2015, you can expect to see the council working on keeping the momentum going through their targeted marketing and public relations efforts.

I am also excited to highlight the council's commitment to researching and educating our industry's stakeholders on sustainability. The mushroom industry has a great story to tell. The council is going to partner with some of the brightest minds in this field to ensure the industry has the tools and knowledge needed to head in the right direction for generations to come.

I would like to end on the subject of consumption. Increasing mushroom consumption is the primary goal of the council. At the national restaurant level, the council is working intimately with many of the top chains in the world to promote mushroom consumption. Spanning across the larger footprint of the foodservice segment, the council is developing and presenting innovative concepts that encourage chefs to include more mushrooms in their builds and recipes. At the retail level, the council is capitalizing on the rise of on-site registered dietitians. By communicating the health benefits of mushrooms to the dietitians, mushrooms remain top of mind for the dietitians when recommending healthy eating practices to the consumers.

Thank you to all that contribute their energy and time for the council and the industry. I am excited to see what the rest of 2015 brings.

Tony D'Amico

STATE OF THE INDUSTRY: RETROSPECTIVE AND FORECAST

In last year's annual report, we forecast, with "confidence" (94% statistical confidence level) that annual growth of fresh pounds reported on Mushroom Council first handler reports would be 2.5%. A rate that is more than twice population growth, ie REAL demand growth. The final tally shows that total fresh pounds reportedly grew just shy of 3%. Domestic pounds, which hold an 88% share of total fresh pounds reported were up just over 3%, while imports increased 2.4% vs 2013. Some encouraging milestones hit in 2014.

- January 2014, imports exceeded 10 million pounds in a month for the first time.
- December 2014, total pounds shipped topped 80 million pounds in a month for the first time.
- Every month of 2014 exceeded 60 million total pounds for the first time...ever.

The forecast for 2015? More of the same as demand for fresh remains strong.

Where was the growth? Last year we reported that (according to IRI retail scanner data) retail sales volume increased 3.9% in 2013. In 2014 that retail growth rate in volume was significantly lower, still growing but only 2%. Is this a sign of weakening retail demand? Anecdotally, it has been noted that retailers have seen their orders cut due to lack of available pounds. Thus, less growth is not necessarily a sign of weaker retail demand. Given total industry shipment growth in 2014 of 3%, and assuming foodservice sales are 50% of total shipments, that would mean that foodservice sales increased 4% ($\frac{1}{2}$ of 2% + $\frac{1}{2}$ of 4% = 3% total growth in 2014).

Processed

The Mushroom Council does not collect assessments on or track processed mushroom shipments. The only data we have is from the August 2014 NASS report that suggested domestic pounds shipped for processing increased just under 2% in 2013/14.

Supply

Again, the Mushroom Council does not collect grower or import information, NASS, however issues results of an annual grower survey. According to their most recent report (August 2014) reported yields hit an all-time high of 6.55 pounds per square foot and projected area of planting in 2014/15 is stated to be up 2% (vs 1% reported last year). Imports account for over 10% of annual fresh shipments and have increased on average 4% over the last 5 years, though only averaging 2% over the last two years.

Pricing

Again, according to the August 2014 NASS annual mushroom report, processed prices reported hit an all-time high, while fresh prices were just under 2012/13 resulting in no change in average prices reported in 2013/14. The forecast for 2014/15, assuming expected shipments of 2.5% and supply growth of 2%, would suggest there will be upward pressure on the average grower price.

Every month of 2014
exceeded
**60 MILLION TOTAL
POUNDS**
for the first time...ever.



2014 AT A GLANCE

2014 Summary

- **Consumer Media:** The blend earned top billing at the forefront of 2014 communication efforts. The unique technique of finely chopping mushrooms and blending them into traditional ground meat recipes to help make the healthy choice the easy choice quickly generated media traction. In addition to stories celebrating the blend, mushrooms' robust nutrition profile continued to earn ink, resulting in mushrooms' appearance on more and more superfood lists. Consumers rallied around mushrooms with increased engagement across the Council's social media channels, sharing comments, feedback and following the "Mushroom Channel" in droves.
- **Nutrition:** Reaching the peak of an eight-year climb, three out of four health professionals now recommend mushrooms. This comes on the heels of an impressive run of nutrition communication efforts that kicked off with the Mushrooms and Health Summit and carried momentum into 2014 with three published articles in prominent nutrition journals, increased visibility with the nation's top health and nutrition influencers at industry conferences, and the largest annual media splash celebrating the health and culinary benefits of fresh mushrooms in Council history.
- **Retail:** Working in conjunction with industry stakeholders, the Mushroom Quarterly Category Report was revised and upgraded to provide an easier-to-use format designed specifically for industry members' sales staff. The graphic elements of the report were improved to make it easier to spot mushroom sales trends and opportunities by market and by variety. Further care was taken to improve the print quality of the report; improving readability when printed in either color or black and white.
- **Foodservice:** The Council continued to promote The Blend to restaurants, college and university dining halls, and non-commercial outlets. The Blend picked up speed on campuses across the nation, resulting in 8 Mushroom Mania promotions. A large player in the foodservice distribution industry is onboard

with the 'trend is to blend,' and is offering several blended products to their clients. Media also recognized this concept as a great way to reduce calories, fat and sodium and promoted it across print and online publications, encouraging foodservice to get onboard.

- **School Nutrition:** The acceptance in the school market has built a base for further blend market expansion. The school program drives both fresh mushroom and domestic IQF diced mushroom volume into a brand new market for the mushroom industry, an industry with huge sales growth opportunity. The program familiarizes students with mushrooms as they grow in their tastes to become life-long mushroom customers. The school story has given the industry a tremendous success story resulting in articles in major outlets such as *The Huffington Post*, *Fortune*, *Washington Post* and more.

Overall Strategies

- Leverage mushrooms as part of the solution to eating healthier to manage weight (The Blend, MyPlate message, cuisine/day part versatility, calorie and sodium reduction)
 - Emphasize mushrooms' vitamin D content, and other nutritional benefits
- Demonstrate mushrooms' culinary versatility to target audiences
- Build deeper online community relationships to foster education leading to advocacy by demonstrating, engaging and driving conversations
- Connect with consumers emotionally (health, cause, sustainability) to drive mushroom engagement (purchases)
- Leverage superfood status and nutrition research to continue action towards becoming a recommended vegetable as part of 2015 Dietary Guidelines

14 MUSHROOM MEMORABLE MOMENTS IN 2014

IN THE MEDIA

1

The *Washington Post* celebrated the blend as, “the latest miracle of mushrooms: their ability to mix with and boost the flavors of ground meat in foods such as burgers and chili, while simultaneously cutting calories, fat and costs.”



NATIONAL MUSHROOM MONTH

2

National Mushroom Month was a consumer media blockbuster, with Council activation taking place across traditional, social media and online partner platforms resulting in the highest-media performing month in the Council’s history to date.



SWAP IT OR TOP IT

3

Swap It or Top It recipe contest tripled in size, receiving more than 350 original recipes focused on reinventing favorite burgers with mushrooms as the key ingredient.



ACADEMY’S FOOD & NUTRITION CONFERENCE & EXPO GALA

4

The mushroom blend was featured as the main dish at the Academy’s Food & Nutrition Conference & Expo Gala dinner, served to more than 560 prominent nutrition and food influencers.

RETAIL PILOTS

5

The Council partnered with Kroger and Weis Markets to conduct retail pilots to sample and serve blend burgers at store events, reaching 5K consumers, resulting in increased produce sales by 17 percent (Kroger) and 26 percent (Weis), respectively.

SOCIAL MEDIA

6

The Mushroom Channel community on Facebook, Twitter, Pinterest and YouTube grew 42 percent to nearly 200K mushroom followers.

New Science on Flavor-Enhancing Properties of Mushrooms



STUDY OVERVIEW

The study, *Flavor-Enhancing Properties of Mushrooms in Meat-Based Dishes in Which Sodium Has Been Reduced and Meat Has Been Partially Substituted with Mushrooms*, conducted by University of California Davis (UC Davis) and the Culinary Institute of America (CIA) was published in the *Journal of Food Science*. (Photo credit: iStockphoto.com)

KEY STUDY FINDINGS

This proof-of-concept sensory study provides the basis for how mushrooms and meat can combine for healthier alternatives to some American dishes. As the study shows, a traditional ground meat recipe prepared with 50 percent mushrooms and 50 percent meat, for every 80 percent reduction in sodium, the study found that blending

NEW SCIENCE ON FLAVOR-ENHANCING PROPERTIES OF MUSHROOMS

7

Culinary Institute of America and University of California-Davis released a first-of-its-kind sensory study proving the flavor and nutritional benefits of the blend that helped fuel media coverage.

14 MUSHROOM MEMORABLE MOMENTS IN 2014

TODAY'S DIETITIAN NETWORK

8

Three out of four registered dietitians now recommend mushrooms to their clients, determined in the Council's health professional survey across Today's Dietitian's nutrition network—nearly double the amount since starting in 2008 with an annual increase of five percent.



DISNEY EPCOT FOOD & WINE

13

At Disney's Epcot Food and Wine Festival more than 1.6 million people attended and were able to sample The Blend and a number of other mushroom dishes

USDA IQF Mushrooms Now Available for Direct Delivery

IQF Diced Mushrooms,
Material #110421
40 lb bulk case

MUSHROOMS IN SCHOOLS

11

There are over 15 USDA commercial meat and mushroom blend products from four different school processors available to schools. Over 100 districts are now menuing the mushroom blend.



USDA IQF MUSHROOMS

9

Due to school district demand the USDA added the IQF diced mushrooms to the USDA Foods Available Catalogue. School districts can now use their USDA food dollars to purchase IQF Diced mushrooms for direct delivery or processing.



INCREASE OF FRESH MUSHROOMS IN SCHOOLS

10

Due to the Mushroom Council promotion in schools there has been a 25% increase in fresh mushroom sales through Farm to School and Department of Defense Fresh Fruit and Vegetable Program

MUSHROOMS ON THE MENU

12

Over 20 restaurants integrated mushrooms permanently on their menus, as well as LTOs, this is a 66% increase from 2013.

MUSHROOM MANIA

14

The Blend picked up speed on campus across the nation, resulting in 8 Mushroom Mania promotions in 2014.



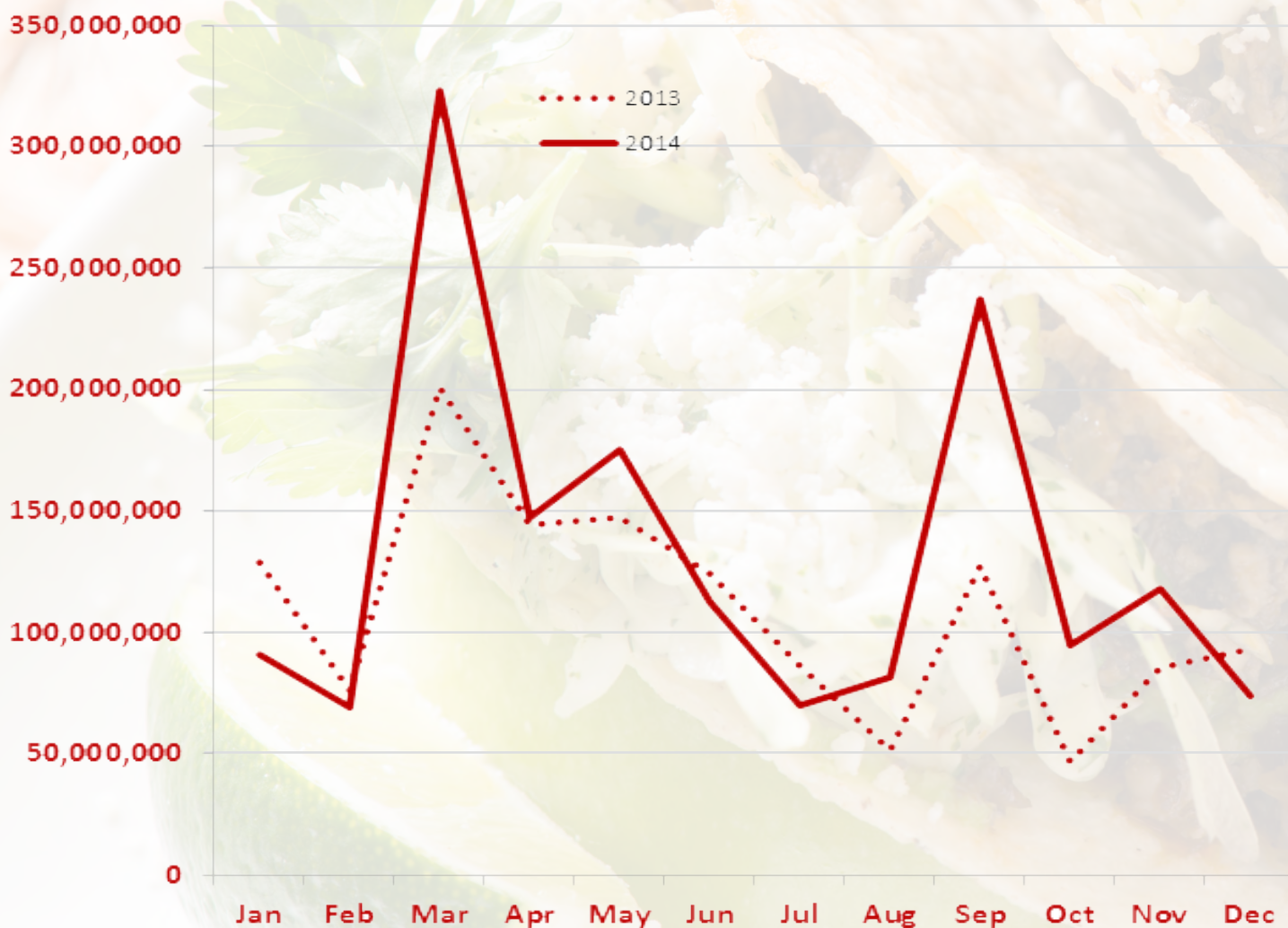
YEAR-OVER-YEAR CONSUMER MEDIA COMPARISON

2014 surpassed more than 1.5 billion impressions— the most media ever generated for the Council in one year.

- Spikes coincided with Council promotions while monthly baseline impressions hovered in the 60-90 million range, compared to 45-75 million range in 2013.
- Taste of Home media, radio and online efforts around the spring cooking schools generated more than 240M media impressions, resulting in 2014's biggest media month (March).
- News about mushrooms saturated media in September for Mushroom Month and resulted in the Council's best media month with over 113 placements and 236M impressions.

- Worked with chef partners, Jehangir Mehta from Grafitti restaurant in New York City and Linton Hopkins from Holeman & Finch in Atlanta. Both developed unique, blend recipes to drive media and increase blend awareness.
- Life of Dad, a leading dad-based blogger network, coined the #ShroomTember conversation that trended nationwide as their community of bloggers created over 40 new recipes (20 blend) and spread the word about the blend across social media.
- A first-of-its-kind sensory study on the blend conducted by the Culinary Institute of America and University of California-Davis fueled spikes in media coverage in September-December 2014.

Consumer/Nutrition Media Impressions: 2012 vs. 2013



Comparison by Media Type:

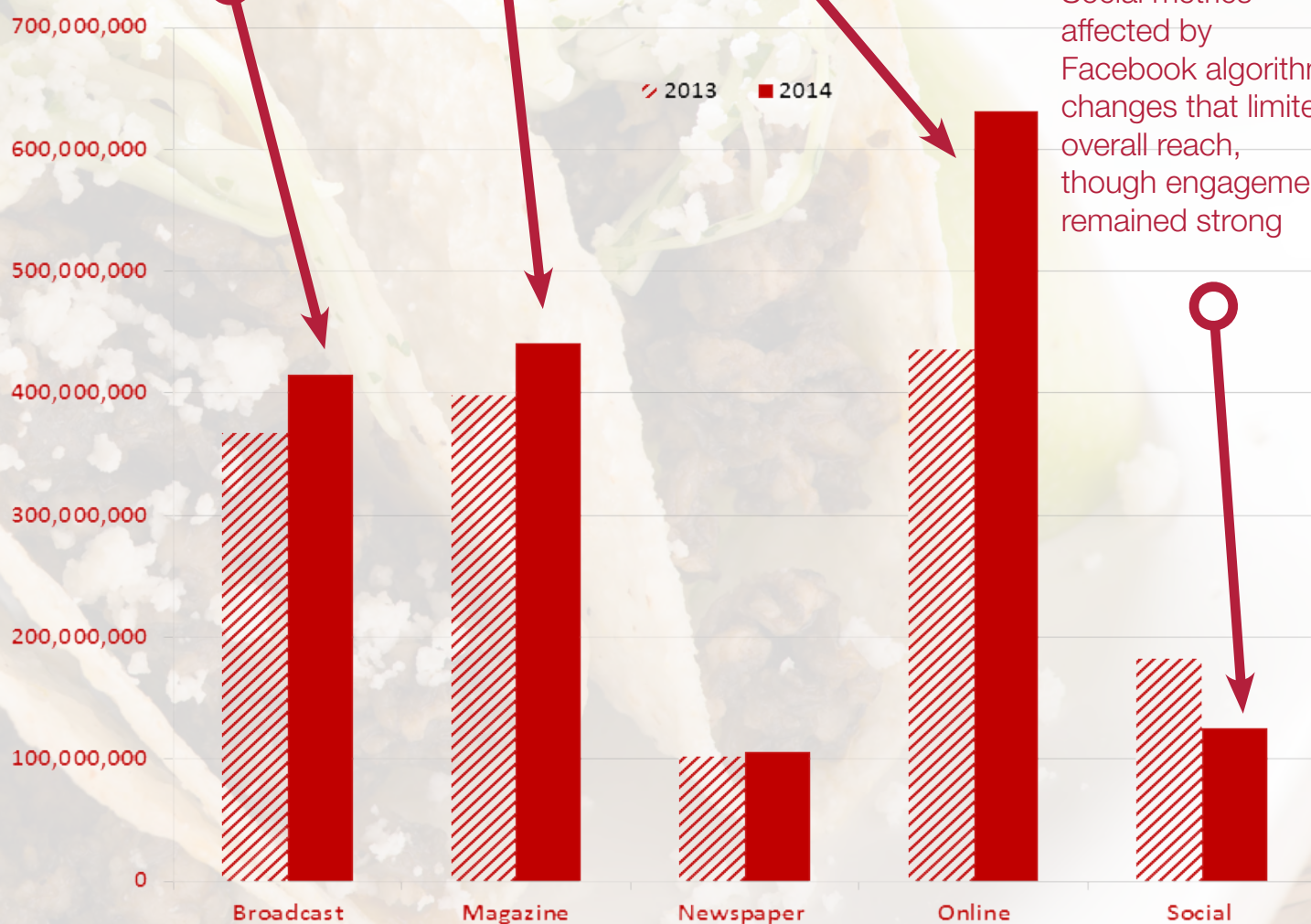
Consumer/Nutrition Media Impressions (by Media): 2012 vs. 2013

Results from relationships cultivated with nutrition network and food influencers

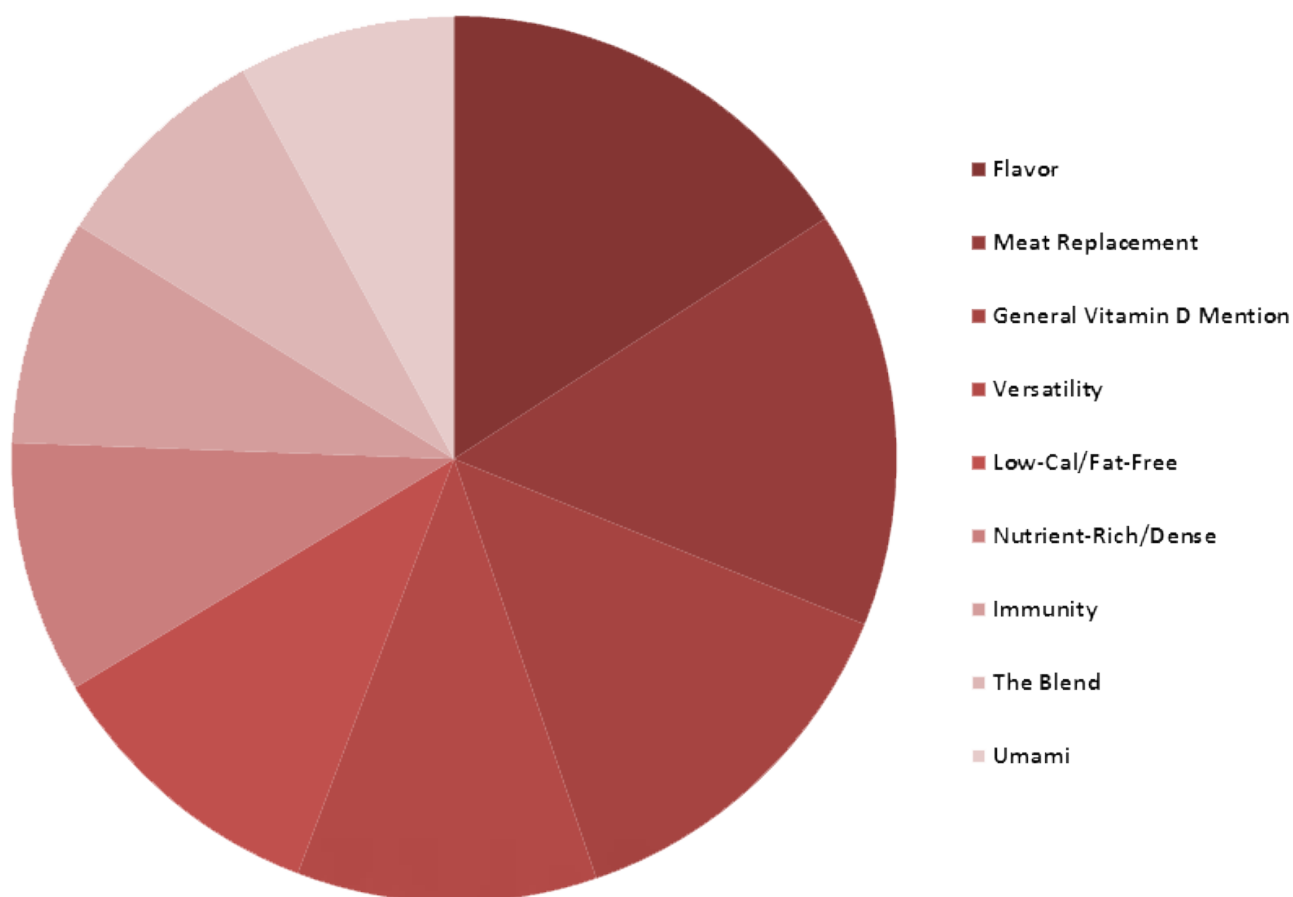
Taste of Home, Satellite Media Tour segments on The Daily Buzz and BetterTV

Evidence of evolving media landscape and outreach efforts to nutrition, food and lifestyle outlets

Social metrics affected by Facebook algorithm changes that limited overall reach, though engagement remained strong



2014 Consumer/Nutrition Media Topics (by frequency of appearances in articles)



The pie graph above offers a snapshot of the most commonly discussed topics in conjunction with mushrooms, measured by number of articles in which message topics were mentioned. Some articles contain more than one topic and may therefore be counted in multiple areas, as relevant. For example, an article about vitamin D in mushrooms might contain messaging about mushrooms being low-calorie, nutrient-dense and a versatile ingredient.

The array of messages rising to the top this year is a testament to the Council's media approach that showcased the blend alongside the traditional mushroom nutrition story. With growing numbers of articles appearing in a wider variety of media outlets, the representation of mushrooms has expanded beyond the singular superfood spotlight to a broader mushroom story that expands across health, culinary and lifestyle topics.

When we talk about the categories of messages that make up the holistic "Mushroom Story," we have nutrition, research and science, culinary components like versatility, flavor, umami and the blend cooking technique. As mushrooms continue to be covered in media, they earn praise for not only being nutrient-rich and filled to the brim with vitamins (D and B), antioxidants and minerals, but with continual references to their weight management properties (low-calorie, low in sodium, cholesterol-free) and ability to extend portions while adding more vegetables to the plate



INDUSTRY PROGRAM

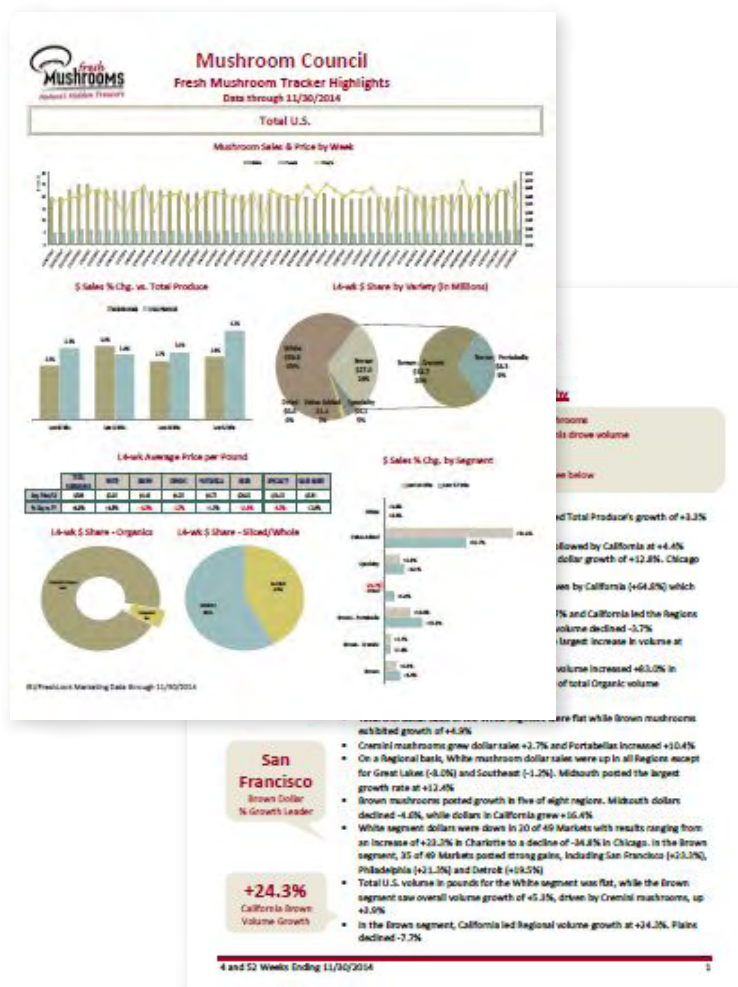
Category Development Program

For the third time in three years the **“Topline Report”** received a **significant upgrade and improvements**. The report, now known as the Tracker Suite (due to the addition of new reports incorporated into the deliverable) provides expanded retail data, information, new charts and graphs. A new overview of category performance called “Tracker Highlights” was also added. This addition spotlights “Notable and Newsworthy” information including 4-week and 52-week performance summaries by category variety. The entire Suite was also graphically overhauled to achieve a better reading experience by defining sections using color-coding and drawing attention to more relevant information with “call-outs.”

The Suite was also updated with revised retail data from IRI/ FreshLook in 2014. These revisions take place approximately every 18 months and reflect the changes that take place in the retail marketplace (mergers, acquisitions, opening and closures, etc.).

Retail Webinars

2014-2015 Retail Trends were presented to the industry through a webinar. The presentation included forecasted sales and market share fluctuations by store format. The webinar highlighted some of the declining store formats such as traditional grocery stores (-3.3%) and Mass Merchandising stores (-1.7%). Growing formats included Fresh formats (+1%) and Supercenters (+0.9%). Online grocery shopping patterns and forecasts were also covered with sales projected to hit \$9.7 billion by 2017. Breakfast and snacking opportunities at retail were other key trends highlighted in the webinar.



The Mushroom Quarterly Category Report

The Mushroom Quarterly Category Report is an excellent summary of the Mushroom category sales performance at retail over the past quarter. It is designed for both the marketing and sales staff. Sales staff can easily identify sales opportunities, sales gaps and market sales patterns.

In 2014, working in conjunction with industry stakeholders, the Mushroom Quarterly Category Report was revised and upgraded to provide an easier-to-use format designed specifically for industry members' sales staff. The graphic elements of the report were improved to make it easier to spot mushroom sales trends and opportunities by market and by variety. Further care was taken to improve the print quality of the report; improving readability when printed in either color or black and white. These reports provide a quarter-by-quarter view of the retail trends of top- and bottom-performing markets.

The graphic elements of the report were improved to make it easier to spot mushroom sales trends and opportunities by market and by variety.

• • • • •

Holiday Retail Sales Report

Holidays are natural occasions for celebration and food. It is also a time when the Mushroom category is in the spotlight at retail with added focus on promotions, displays and other attention-getting, in-store merchandising. This report reviews 13 key holiday weeks and examines the role these holidays play in the Mushroom category and in the broader Total Vegetable and Total Produce categories. The report highlights holiday performance in each region plus Total U.S.

Mushroom Council's online data portal MarketInsights, contained a large repository of retail sales information that was updated every four weeks. The site featured easy-to-read dashboards that provided an overview of the category utilizing sales, volume and pricing data. The portal also offered pre-built sales reports that users were able to customize to meet their needs. Users could also have the site build report reports and deliver them via email each time the data was updated.

Mushroom volume trend outpaced Vegetable trend in 9 of 13 holidays

Total U.S.: 2013 Sales Growth vs. Prior Year by Holiday/Event

2013 Holiday/Event	% Volume (Lbs) Growth vs. PY			% Dollar Growth vs. PY		
	Mushrooms	Total Vegetables	Total Produce	Mushrooms	Total Vegetables	Total Produce
Big Game (Sun, 2/3)	+4.6%	+0.3%	+1.8%	+2.3%	+4.8%	+6.2%
Valentine's Day (Thurs, 2/14)	+5.9%	+0.3%	+1.7%	+7.1%	+7.0%	+7.4%
St. Patrick's Day (Sun, 3/17)	+7.3%	+3.7%	+3.7%	+5.8%	+8.3%	+9.9%
Easter (Sun, 3/31)	-2.7%	-5.7%	-3.2%	-2.4%	+1.0%	+2.6%
Mother's Day (Sun, 5/12)	+3.4%	+3.3%	+1.8%	+2.7%	+6.8%	+7.5%
Memorial Day (Mon, 5/27)	+1.7%	-0.1%	-2.8%	-0.1%	+4.0%	+4.9%
Father's Day (Sun, 6/16)	+2.6%	+3.3%	+3.9%	+2.0%	+6.8%	+6.3%
Independence Day (Thurs, 7/4)	+5.6%	+6.4%	+5.8%	+4.8%	+8.4%	+7.4%
Labor Day (Mon, 9/2)	+0.8%	+1.5%	+4.3%	+2.8%	+9.0%	+7.0%
Halloween (Thurs, 10/31)	+4.1%	-5.5%	-2.1%	+3.4%	+5.4%	+3.6%
Thanksgiving (Thurs, 11/28)	+1.4%	-1.2%	+0.5%	+3.7%	+5.3%	+3.9%
Christmas (Weds, 12/25)	-6.6%	-5.9%	-2.7%	-4.7%	+1.1%	+0.7%
New Year's Eve (Tues, 12/31)	+6.7%	+3.8%	+4.1%	+8.1%	+9.2%	+7.9%
Total 2013 Holiday % Change	+2.5%	+0.1%	+1.3%	+2.6%	+5.8%	+5.8%
Total 2013 Annual % Change	+3.7%	-0.9%	+2.9%	+3.5%	+4.2%	+7.1%

- This report reviews 13 key holiday weeks and examines
- the role these holidays play in the Mushroom category
- and in the broader Total Vegetable and Total Produce
- categories.

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Mushroom Category Retail Data through Q3-2014

fresh Mushrooms
Nature's Hidden Treasure

Quarterly Market Report

YEAR-TO-DATE TOP 5 MARKETS			YEAR-TO-DATE BOTTOM 5 MARKETS		
(Based on Retail Dollars)			(Based on Retail Dollars)		
MUSHROOM CATEGORY			MUSHROOM CATEGORY		
Market	Retail Dollars	% Chg vs PY	Market	Retail Dollars	% Chg vs PY
1. New York	\$40,679,000	+1.2%	30. Chicago	\$2,961,000	+0.1%
2. Los Angeles	\$38,770,000	+1.3%	31. Louisville	\$2,875,000	+1.0%
3. Baltimore/Washington	\$37,000,000	+1.0%	32. Nashville	\$2,265,000	+1.0%
4. San Francisco	\$35,000,000	+0.7%	33. Tampa	\$2,171,000	+1.0%
5. Boston	\$34,880,000	+1.0%	34. Atlanta	\$2,028,000	+0.8%
WHITES			WHITES		
Market	Retail Dollars	% Chg vs PY	Market	Retail Dollars	% Chg vs PY
1. New York	\$21,000,000	+1.0%	30. Chicago	\$1,800,000	+1.0%
2. Los Angeles	\$19,000,000	+1.0%	31. Louisville	\$1,700,000	+1.0%
3. San Francisco	\$18,747,000	+1.0%	32. Nashville	\$1,500,000	+1.0%
4. Cleveland	\$17,000,000	+0.8%	33. Indianapolis	\$1,400,000	+1.0%
5. Baltimore/Washington	\$16,000,000	+0.8%	34. Kansas City	\$1,300,000	+1.0%
BROWNS			BROWNS		
Market	Retail Dollars	% Chg vs PY	Market	Retail Dollars	% Chg vs PY
1. New York	\$15,000,000	+1.0%	30. Chicago	\$1,500,000	+1.0%
2. Los Angeles	\$14,000,000	+1.0%	31. Louisville	\$1,400,000	+1.0%
3. Baltimore/Washington	\$13,750,000	+1.0%	32. Nashville	\$1,300,000	+1.0%
4. Boston	\$13,000,000	+0.8%	33. Tampa	\$1,200,000	+1.0%
5. Miami/Ft. Lauderdale	\$12,000,000	+1.0%	34. Atlanta	\$1,100,000	+1.0%
CREAM VARIETY			CREAM VARIETY		
Market	Retail Dollars	% Chg vs PY	Market	Retail Dollars	% Chg vs PY
1. New York	\$8,000,000	+1.0%	30. Chicago	\$800,000	+1.0%
2. Los Angeles	\$7,000,000	+1.0%	31. Louisville	\$700,000	+1.0%
3. Baltimore/Washington	\$6,750,000	+1.0%	32. Nashville	\$600,000	+1.0%
4. Boston	\$6,000,000	+0.8%	33. Tampa	\$500,000	+1.0%
5. San Francisco	\$5,000,000	+1.0%	34. Atlanta	\$400,000	+1.0%
PORTABELLA VARIETY			PORTABELLA VARIETY		
Market	Retail Dollars	% Chg vs PY	Market	Retail Dollars	% Chg vs PY
1. New York	\$1,500,000	+1.0%	30. Chicago	\$150,000	+1.0%
2. Los Angeles	\$1,400,000	+1.0%	31. Louisville	\$140,000	+1.0%
3. Baltimore/Washington	\$1,350,000	+1.0%	32. Nashville	\$130,000	+1.0%
4. Boston	\$1,250,000	+1.0%	33. Tampa	\$120,000	+1.0%
5. San Francisco	\$1,100,000	+1.0%	34. Atlanta	\$100,000	+1.0%
SHIITAKE VARIETY			SHIITAKE VARIETY		
Market	Retail Dollars	% Chg vs PY	Market	Retail Dollars	% Chg vs PY
1. New York	\$1,000,000	+1.0%	30. Chicago	\$100,000	+1.0%
2. Los Angeles	\$900,000	+1.0%	31. Louisville	\$90,000	+1.0%
3. Baltimore/Washington	\$850,000	+1.0%	32. Nashville	\$80,000	+1.0%
4. Boston	\$750,000	+1.0%	33. Tampa	\$70,000	+1.0%
5. San Francisco	\$600,000	+1.0%	34. Atlanta	\$50,000	+1.0%
SHIITAKE VARIETY			SHIITAKE VARIETY		
Market	Retail Dollars	% Chg vs PY	Market	Retail Dollars	% Chg vs PY
1. New York	\$1,000,000	+1.0%	30. Chicago	\$100,000	+1.0%
2. Los Angeles	\$900,000	+1.0%	31. Louisville	\$90,000	+1.0%
3. Baltimore/Washington	\$850,000	+1.0%	32. Nashville	\$80,000	+1.0%
4. Boston	\$750,000	+1.0%	33. Tampa	\$70,000	+1.0%
5. San Francisco	\$600,000	+1.0%	34. Atlanta	\$50,000	+1.0%

Report Date: Source: IRI / FreshLink Marketing
There are 10 markets included in the retail data.
Total Produce is the sum of Vegetables and Total Produce.
Retailers' 2013 sales are based on their 2013 Year-to-Date Retail Dollars.
Sales Dollars in Dollars reported through the previous quarter.

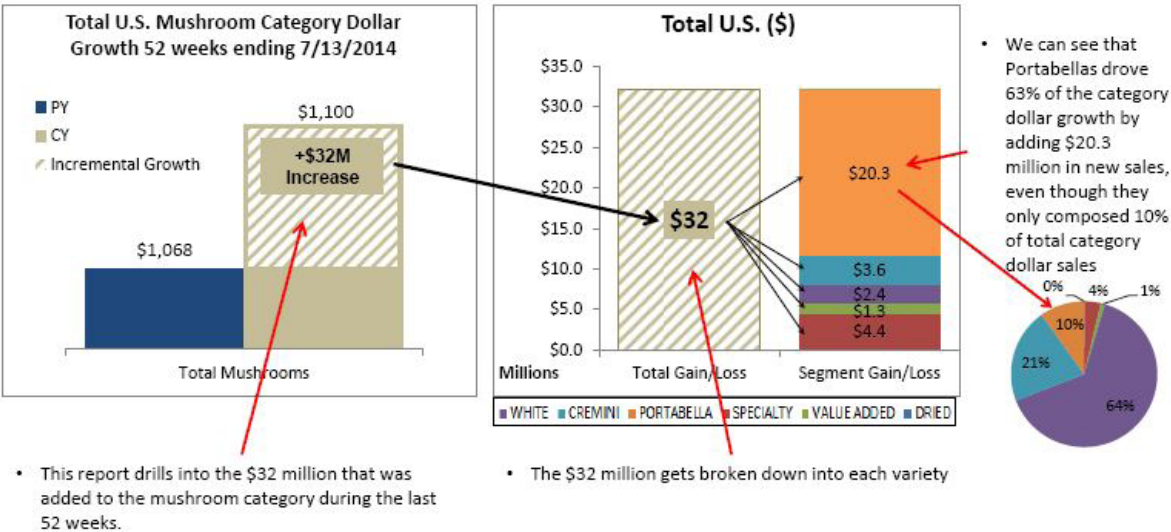
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Retail Incremental Sales Driver Report

Incremental Sales Driver Reports are part of consumer packaged goods standard operating practice as they uncover the key items that are driving additional sales for a company or industry.

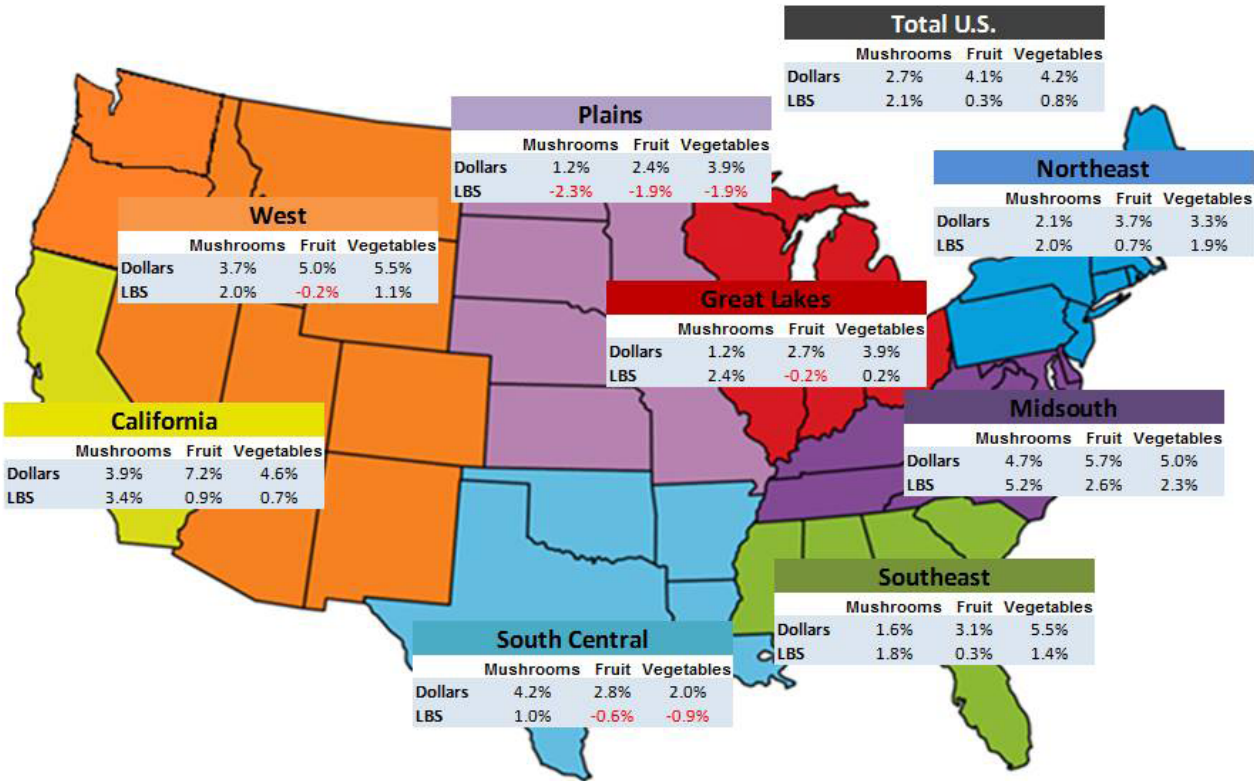
The Mushroom Council report is based on this model and compares sales to the prior year with shoppers purchasing an additional \$32 million in fresh mushrooms at retail, taking the total category to over \$1.1 billion in sales.

The Retail Incremental Sales Drivers report delivers unique insights into this growth that can be used to support strategic sales, marketing and production initiatives. Further, the report shows sales growth variations by region and variety enabling a region-by-region look into sales growth opportunities. Comparing the regional findings to a shipper's annual shipment report may uncover a potential sales opportunity.



The 2014 year ended with these key retail sales metrics:

2014 Retail Growth by Region



Source: IRI/FreshLook Marketing, 52-Wks Ending 12/28/2014 vs. Prior Year (MULO)



NUTRITION & CONSUMER

NUTRITION RESEARCH PROGRAM

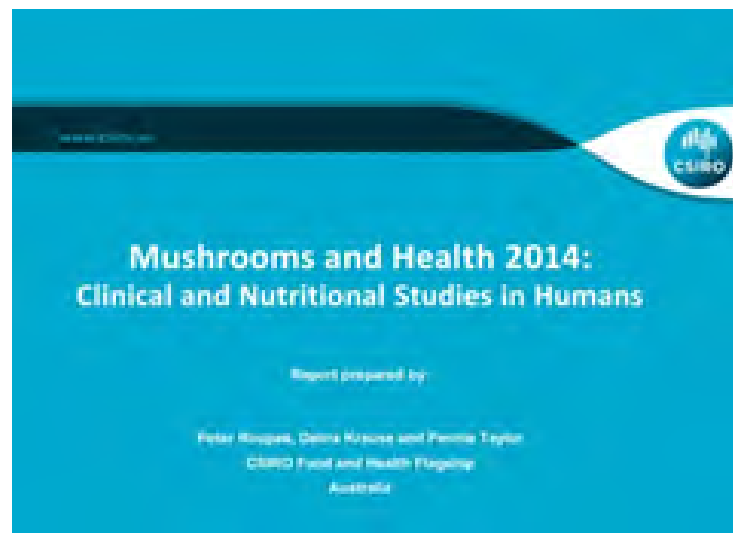
Mushrooms and Health Global Initiative

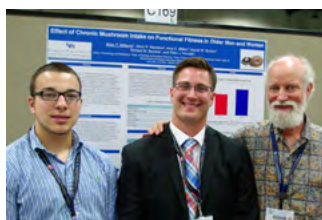
The Mushrooms and Health Global Initiative (MHGI), launched in 2007, is an international collaborative project to increase worldwide consumption of mushrooms by providing the scientific basis for the dissemination of mushroom and health information to those in public relations, marketing, media and to health professionals who then relay the message to consumers. A global group of industry professionals with expertise in marketing, public relations, communications, food/nutrition and mushroom science collectively functions as the Mushrooms and Health Global Initiative Team.

The primary assets of the Initiative include *the Bulletin*, a quarterly newsletter; the *Mushrooms and Health Report*, a compilation of recent mushroom research updated in 2014; and the Mushrooms and Health website (www.mushroomsandhealth.com) which archives these publications. Mushrooms and Health 2014 focuses primarily on published human trials and describes the levels of evidence where future human dietary intervention studies are needed to substantiate the effects. The Report features a listing of currently registered human trials; a section entitled “Bioactive Compounds and Proposed Mechanisms of Action” and a section entitled “New Applications in Human Health” citing research on Brain Health/Cognition; Cancer Therapy Adjuvants; Respiratory Tract Infections; and Vaccine Adjuvants. All *Mushrooms and Health Reports* from 2008 can be accessed through the **Mushrooms and Health Global Initiative** home page.

A total of 28 issues of *the Bulletin* have been e-distributed (and posted on the Initiative website) since 2008 to individuals, organizations and businesses involved/interested in mushrooms. In 2014, the Bulletin abstracted 14 studies on *Agaricus* mushroom nutrition and health research.

The role of edible mushrooms in health: Evaluation of the evidence, a research review project of the Initiative originally published in the *Journal of Functional Foods* in 2012, remains in that Journal’s Top 25 Hottest Articles. The review is downloaded more than 10 times a day some 2.5 years after its publication.





Mushroom Council representatives attended EB in the past to monitor research trends and network with scientists – but 2014 was the first time to exhibit. Showcasing a display of different mushrooms, the Council's exhibit was the only 'food' oriented booth that provided a point of contact for connecting with researchers. Over 90 percent of booth visitors met the criteria of scientist members/non-members, post docs and graduate students

Abstracts of research funded through a partnership between the Australian Mushroom Growers Association and the Mushroom Council were also presented. These abstracts appear *the FASEB Journal*.

- Williams B, Marsales H, Millen A, Burton H, Browne R, and Horvath P. **Effect of chronic mushroom intake on functional fitness in older men and women.** The *FASEB Journal* 2014; 28:1. Supplement 1027.9.
- Marsales H, Williams BT, LaMacchia ZM, Rideout TC, and Horvath P. **The effect of mushroom intake on modulating post prandial glycemic response.** The *FASEB Journal* 2014; 28:1. Supplement 647.48.
- LaMaccia Z, Williams BT. et al. **Effect of chronic mushroom intake on anthropometric measures and quality of life in older men and women.** The *FASEB Journal* 2014; 28:1. Supplement 640.10.
- Calvo MS, Beelman RB, Mehrotra A, Nadkarni G, Wang L, Cher GB, Uribarri J. **Risk factor modification in pre-diabetic adults consuming white button mushrooms (WBM) rich in the anti-oxidant, ergothioneine.** The *FASEB Journal* 2014; 28:1. Supplement 117.4.

Research presented and/or published (For more information, contact the Mushroom Council)

Vitamin D mushrooms and functional fitness

Williams B. State University of New York (SUNY) at Buffalo, "**Chronic vitamin D enriched mushroom intake improved functional fitness and body composition in older men and women,**" presented at the annual conference of the American College of Nutrition, San Antonio.

Mushrooms as a healthy substitute for meat-based dishes without loss of flavor

Myrdal Miller A, Mills K, Wong T, Drescher G, Lee SM, Sirimuangmoon C, Schaefer S, Langstaff S, Minor B and Guinard JX. "**Flavor-enhancing properties of mushrooms in meat-based dishes in which sodium has been reduced and meat has been partially substituted with mushrooms.**" *Journal of Food Science*. 2014 Sept; 79(9):S1795-804. doi: 10.1111/1750-3841.12549. Epub 2014 Aug 14.

Vitamin D mushrooms in a prediabetic cohort

Mehrotra A, Calvo, MS, Beelman RB, Levy E, Slutsky J, Kalaras MD, and Uribarri J. "**Bioavailability of vitamin D2 from enriched mushrooms in prediabetic adults: a randomized controlled trial.**" *European Journal of Clinical Nutrition* (13 August 2014) doi:10.1038/ejcn.2014.157.

Proceedings from the 2013 Mushrooms and Health Summit

Feeney MJ, Dwyer J, Hasler-Lewis CM, Milner JA, Noakes M, Rowe S et al. "**Mushrooms and Health Summit Proceedings**". *J. Nutr.* 144: 1128S–1136S, 2014.

Mushrooms – The third food kingdom

Feeney MJ, Myrdal-Miller A, and Roupas P. "**Mushrooms—Biologically distinct and nutritionally unique,**" *Nutrition Today*, Nov. 2014; 49(6): 301-307 published online December 11, 2014.

Other Abstracts

Robert Beelman, Pennsylvania State University, University Park, PA. "Serum advanced glycation end products (sAGE) are reduced in pre-diabetics following a 4-month white button mushroom (WBM) feeding trial" submitted to the 17th Annual Functional Foods Conference, San Diego.

Research anticipated to be completed/ presented or published in 2015

Shiuan Chen, City of Hope, Duarte, CA "Identification and characterization of white button mushroom strains with high anti-aromatase activity."

Shiuan Chen, 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 (MDSCs) for *Agaricus bisporus* induced PSA responses" accepted for publication in *Cancer*, the journal of the American Cancer Society.

Lawrence Cheskin, Johns Hopkins School of Public Health, Baltimore, MD. "Blendburger comparison trial, and pilot public school cafeteria program."

Amanda Kinchla, University of Massachusetts, Amherst. "Optimizing the use of mushrooms for reduced fat and/or reduced sodium products."

Claire Kruger and Nancy Booth, Spherix Consulting, Rockville, MD "Preparation of GRAS dossier to obtain GRAS status for mushrooms treated post-harvest with UV-irradiation."

Susan Percival, University of Florida, Gainesville "Consuming *Lentinula edodes* (shiitake) mushrooms daily improves human immunity: a randomized dietary intervention in healthy young adults" accepted for publication in the *Journal of the American College of Nutrition*.



CONSUMER NUTRITION PROGRAM

Nutrition program leads mushroom industry milestones in 2014

Activation to drive trial of the blend

To kick off National Nutrition Month in March, the Mushroom Council partnered with the Mamavation community to showcase the versatility of mushrooms and how they can be used in a weight management diet. 15 blogger ambassadors entered the Mamavation Mushroom Makeover Challenge, committing to increase their mushroom consumption to at least four meals per week as part of a healthier diet— this group lost a combined total of 81 pounds.

The Council partnered with Taste of Home (TOH) Cooking Schools in the spring, where 150K culinary enthusiasts attended specialty cooking events across the country and watched as chefs demonstrated how easy it is to blend mushrooms and meat in a turkey burger. The recipe not only reduced caloric intake compared to an all turkey alternative, but also showed how mushrooms could enhance the flavor, moisture and portion size of a go-to family recipe. Following the demonstrations, nearly 50 percent of attendees said they had made or were planning to make the Mushroom Turkey Burger recipe. Additionally, compared to the general population, attendees were found to be 15 percent more likely to purchase mushrooms.

A Mushroom Makeover Challenge in late summer invited more than 30 bloggers modified classic family recipes to include more mushrooms. The winner earned the privilege of taking over the Mushroom Council blog, Facebook and Twitter pages for a day during National Mushroom Month. An e-cookbook was also created with all recipes and was shared across online networks as well as on the Mushroom Council's social media channels. The full cookbook can be seen on MushroomInfo.com.

Over the summer, the Mushroom Council hosted a blend demonstration at the Eat Write Retreat blogger conference. Two mushroom demos with Chef Bobby Fisher of Molly Molloy's showcased a mouthwatering menu featuring mushrooms as the star ingredient, as well as blended with meat and other veggies for maximum flavor. The Mushroom Council sponsored the 2014 International Association of Culinary Professionals (IACP) influencer brunch to serve a Mushroom Turkey Sausage blend to attendees.

SPOTLIGHT: RESEARCH PROMOTION

Promoting Mushroom Science

Communication efforts in 2014 have been bolstered by important milestones in the industry's science pipeline:

- A first-of-its-kind sensory study on the blend conducted by the Culinary Institute of America and University of California-Davis proved the flavor and nutritional benefits of the blend, published in the Institute of Food Technologists Journal of Food Science.
- Nutrition Today published a manuscript, sponsored by the Council, calling for mushrooms to be crowned as their own kingdom – separate from the plant and animals – based on their distinct nutrient and culinary characteristics. This is the dawning of Third Kingdom consideration for mushrooms.
- Since the Mushrooms and Health summit last fall, the Council has leveraged the event to fuel what has been dubbed as a “second harvest” of opportunity. The quintessential follow up piece, the official Mushrooms and Health Summit Proceedings, was published in the Journal of Nutrition, and provides a way to bring the summit to the masses. Having the summit proceedings published in the Journal of Nutrition is a testament to the validity and credibility of the deep collection of existing mushroom research.
- Mushrooms were discussed in a webinar hosted by the National Cancer Institute and National Institute of Health entitled, “Cancer Prevention through Immunomodulation: Does Diet Play a Role?”

September Mushroom Month

News about mushrooms saturated media in September. Nearly everywhere consumers turn to for health and culinary information and conversation, there were stories about mushroom nutrition, mouthwatering recipes, health benefits and cooking ideas.

- **SEPTEMBER 2014 HIGHLIGHTS**
- **113 Total Placements.**
- **236,813,863 Total Impressions.**
- **186% increase from 2013**

Making an Impact for Mushroom Month

News about mushrooms saturated media in September. Nearly everywhere consumers turn to for health and culinary information and conversation, there were stories about mushroom nutrition, mouthwatering recipes, health benefits and cooking ideas.

SEPTEMBER 2014 HIGHLIGHTS
113 Total Placements, 236,813,863 Total Impressions.
Delivered 186% increase from 2013.

Partners Expanded Awareness, Drove Recipe Trial

The online food site what consumer appetite with eight stories showcasing custom mushroom recipes, and digital ads driving back to MushroomInfo.com.

- A profile piece on Chef Linton Hopkins celebrated the flavor and versatility of mushrooms, earning readers' appetite for the seven mushroom recipes to follow.
- Life of Dad's network of leading dad bloggers coined the #ShroomTember conversation, and their collective efforts got mushroom conversation to trend nationwide.
- Online influencers created 40+ new mushroom recipes as part of a three-part recipe challenge (20+ blend recipes).
- Streamed podcast interview with Chef Hopkins about his love of mushrooms.
- A dedicated, kid-friendly mushroom cooking video received 300+ views.
- Community Twitter party was one of the most successful events hosted by Life of Dad: 7.7K+ tweets, 250+ unique participants, 50+ new Mushroom Council Twitter followers.

Mushroom Story Dominated Food & Nutrition Media

- Top-tier national media outlets ate up mushroom research, facts and recipes with stories in *The Observer*, *Family Circle*, *Health*, *MSU*, *Yahoo! Health*, *Glamour*, *Huffington Post*, *Eastonville*, *Nation's Restaurant News* and *The Daily Beat*; plus a syndicated segment on family fat wellness that aired Chef Linton's blend burger recipe nationwide.
- Flavor, versatility and vitamin D were most common topics covered
 - 24% of placements mention blandability
 - 12% mention the blend study published in the *Journal of Food Science*

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Super Hack: How to Make Healthy Food Even Healthier
GLAMOUR
HEALTH & DIET
3 Ways to Sneak Mushrooms Into Your Recipes (Trust Us, You're Going to Want To)
YAHOO!
Health
5 Surprising Facts About Mushrooms

Mushroom Council @MushroomCouncil Sep 22
It's a #ShroomTember Twitter party! Join us and our host, @LifeofDadShow tomorrow at 12PM CT @wlyBzook

#ShroomTember Twitter Party
Tuesday, Sept. 23rd at 1PM ET / 10AM PT
Hosted By: @LifeofDadShow
Co-Hosts: @Dad_or_Alive, @BuddyMojo & @Rick_ontheRocks
Sponsored by: @MushroomChannel
Grand Prize: \$250 VISA Card

GLAMOUR HEALTH & DIET
3 Ways to Sneak Mushrooms Into Your Recipes (Trust Us, You're Going to Want To)
By Lisa Peters • SEPTEMBER 2014

SPOTLIGHT: SUPERMARKET DIETITIANS

Supermarket Dietitians Convert Science to Purchase

Grocery retailers have spent a great deal of time cultivating their image and relationship with consumers. The emergence of in-store, fresh market cafeterias and community wellness clinics are just two examples of the integration of pharmacy and marketing divisions that reflect converging corporate initiatives. Often times, health is both the root and destination for these changes.

As a result, there is a rising force of supermarket dietitians tasked with community engagement. Charged with everything from client consultations, in-store marketing and food demonstrations, advertising, public relations and community relations; supermarket dietitians serve public and store vitality.

The Council attended the Oldways Supermarket RD Symposium to network with 40 dietitians from the nation's leading retailers. In addition to sharing mushroom information and collateral with the RDs to use throughout their store media and marketing channels, and hosting a Mexican Fiesta lunch where RDs got to experience the blend, the Council pursued individual partnerships with:

- Kroger took to the blend concept and executed two consumer-facing activations featuring blend recipe sampling and information exchange. More than 35 in-store burger blend sampling events took place across Kroger stores in September and they featured blend messaging at their community wellness fair, reaching nearly 5K consumers with information about mushrooms at the point of purchase.

- Weis Markets welcomed the mushroom blend into their stores and introduced a prepared fresh blend burger into their store, marketing the blend across the produce and meat departments. The in-store push was supported by promotions including a two-page Fresh Focus piece highlighting fresh mushrooms and a summer recipe/how-to video for a Mushroom Blue Cheese Blend Burger.
- Wakefern Food Corp. has led by example in terms of the importance of their store dietitians. In less than a decade, the retailer has expanded its dietitian program to cover some 102 of its stores, with plans for continued rollout. This fall, the Council met with more than 50 of their RDs to present information about the health and culinary benefits of mushrooms.

- **Supermarket dietitians are charged with everything from client consultations, in-store marketing and food demonstrations, advertising, public relations and community relations; supermarket dietitians serve public and store vitality.**



SPOTLIGHT: FNCE

Taking Fresh Mushrooms to the Next Level

For the past several years, the Mushroom Council has participated in the Academy of Nutrition and Dietetics annual Food and Nutrition Conference and Expo (FNCE). This conference is America's largest event for nutrition experts and has fostered many of the Council's longstanding partnerships with the food experts who influence consumer behavior and nutrition policy.

This year, the Council sponsored the annual FNCE Foundation Gala, which drew Academy leadership and major players from the food and nutrition industry and served a mushroom and blend-focused menu to over 560 attendees and top nutrition influencers. The gala dinner was an opportunity to invite nutrition influencers to experience the blend and learn about the recent proof-of-concept study on the blend technique.

- Attendees included independent RDs, major manufacturers, Academy leadership, national nutrition spokespeople, foodservice management companies and healthcare providers, among others.
- Gala menu featured two blend recipes as the main course, and spotlighted new ways to use mushrooms on the plate as in the appetizer salad with shiitake bacon and vegetarian entrée.

- Served a mushroom and blend-focused menu to over 560 attendees and top nutrition influencers



Dinner Menu

First Course, Georgia Salad

Baby Arugula on a Bed of Lettuce with Shiitake Mushroom "Bacon", Roasted Asparagus, Enoki Mushroom Garnish and Peach-Calamondin Vinaigrette

Main Course, A Study of Mushroom Blendability

A Dish with Hachis of Crimini and Beef Tenderloin in a Parsi and Crimini and Beef Tenderloin Croquette, Red Bliss Potatoes and Mixture of Winter Vegetables

Dessert, Southern Trio

Trio of Pecan Tartlet, Dulce de Leche Cheesecake and Fruit Tartlet

The Mushroom Blend

Mushrooms have long been celebrated as a source of powerful nutrients, but tonight you will get to taste mushrooms in a new light through "blendability."

Playing on mushrooms' compatibility with meat, highlighting mushrooms' umami as well as their meaty texture, the blendability technique is transforming meals across the U.S. – including tonight's. But what is blendability? It is the simple technique of chopping mushrooms to match the texture of ground meat and blending with your choice of protein to help make meals healthier, and just as satisfying.

Mixing mushrooms into a recipe brings another serving of vegetables to the plate and adds bulk and volume, generating more servings and stretching recipe portions.

For more information, please visit mushroominfo.com/mushroom-blendability



ADD FLAIR to your SUMMER GRILLING WITH Mushrooms

DIGITAL PROGRAM 2014



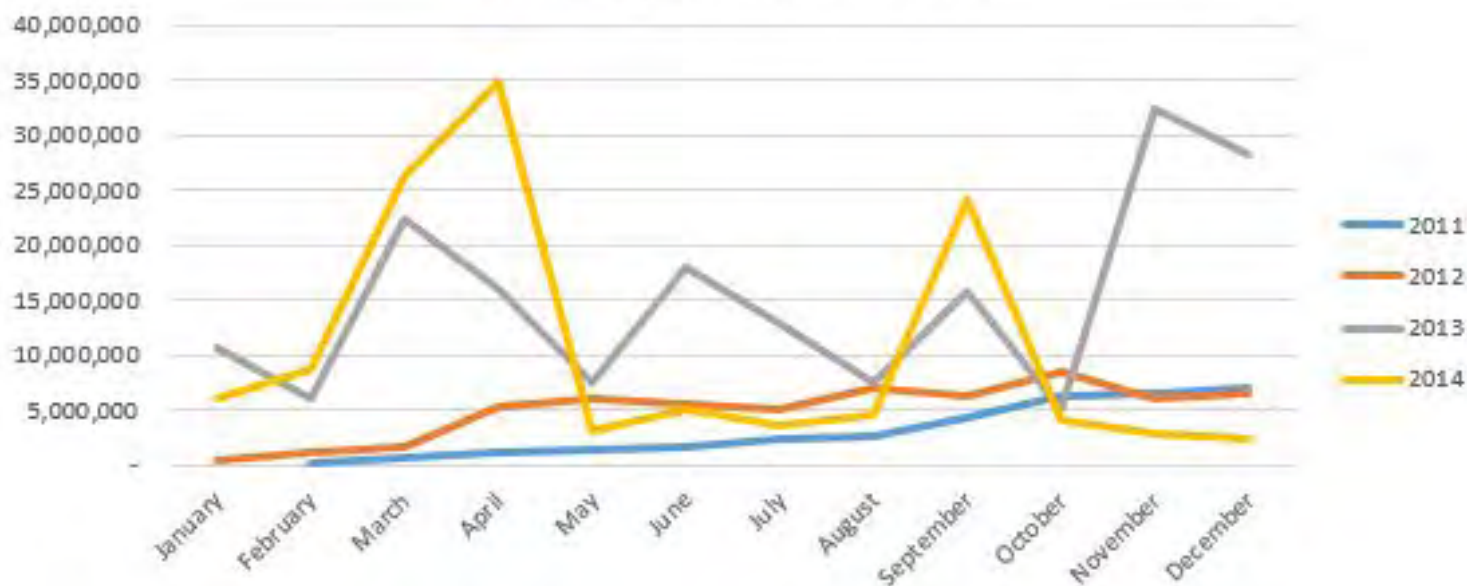
Mushroom Versatility Soars across Social Media

Mushroom Versatility Soars across Social Media
With all of the exciting activations flooding the Mushroom Council social pages this year, the Mushroom Channel online community has never been more engaged! In 2014, The Mushroom Council's social presence reached new audiences with recipes, cooking tips and information. The Council's social plan was to amplify and share key messages through recipes and visual content. Through the evolution of Council social channels, the development of new relationships online

and offline, and blogger and partner recipes contributed in 2014, the Council continues to inspire new mushroom enthusiasts.

The Mushroom Channel community on Facebook, Twitter, Pinterest and YouTube grew 45 percent to nearly 200K mushroom followers in 2014, which is among the highest levels of comparable commodity social communities.

Social Impressions 2011-2014



SPOTLIGHT: FACEBOOK



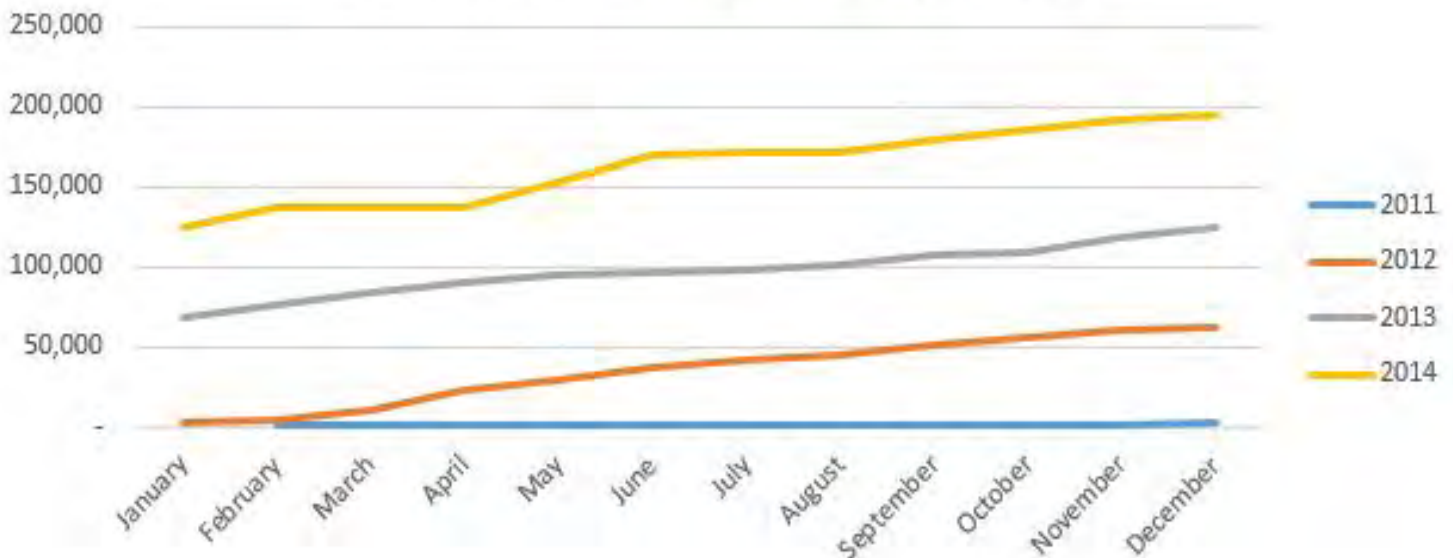
Starting with 2,500 followers
in 2012 to more than
195K FOLLOWERS
in 2014

Facebook Engagement

Facebook remains the Council's largest social community, reaching over 195K followers in 2014. Serving up beautiful imagery, targeted messaging and shared content, the Council places recipes so that they appear naturally in a user's newsfeed, alongside updates from friends and family, without creating a forced presence. This has attracted new followers and sustained engagement over the past three years. Starting with 2,500 followers in 2012 to more than 195K followers in 2014, Council content has received consistent engagement in an otherwise cluttered newsfeed. In addition to updates, the recipes rotate as the cover photo every month and provide content for featured Facebook tabs that house consumer recipes and Mushroom Monday newsletters.

From Culinary Institute of America mushroom cooking demos to blend food service menu items, paid support has allowed us to reach out to and promote several exciting mushroom developments to a community of 1.6M mushroom supporters. Promoted posts are Facebook posts where an allotted spend is put in place to help push post content out to a larger group of fans outside of the Mushroom Channel fan base.

Facebook Community Growth 2011-2014





Enter your Swap It or Top It mushroom recipe for a chance to win a

\$5,000 GRAND PRIZE

visit SwapItOrTopIt.com

**CONTEST STARTS
JUNE 1, 2014**



Swap It or Top It Contest Grows in Second Year, Expands to Retail

The second annual Swap It or Top It contest inspired home cooks to take their burgers up a notch with mushrooms. Timed to drive interest in fresh mushroom purchases during the summer months, the recipe contest tripled in size in its second year, receiving more than 350 original recipes focused on reinventing favorite burgers with mushrooms as the key ingredient.

Swap It or Top It called for recipes that showcased mushroom compatibility with meat and versatility on the plate in three ways: the blend technique of blending finely chopped mushrooms with ground meat/poultry; patties featuring mushrooms as the hero in vegetarian burger options; or creating delicious and unique ways to use mushrooms as a topping on a variety of burgers.

Contestants developed delectable mushroom burger recipes in hopes of winning over a judging panel consisting of Chefs Jehangir Mehta and Linton Hopkins as well as dietitians from the Partnership for a Healthier America.



Based on their originality, creative use of fresh mushroom varieties, adherence to nutrition guidelines and overall ease of preparation, the judges chose the top three winning recipes that ranged from spicy to unique and downright drool-worthy. Winners were also announced through Produce for Better Health Foundation.

- **Grand Prize of \$5K:** Deconstructed Chile Relleno Mushroom Burger
- This Mexican-inspired burger blended ground beef with finely chopped white button mushrooms and was finished with chunky tomato sauce and a touch of heat from chilies and spices.
- **First Prize of \$1K:** Bourguignon Burgers with Mushroom "Bacon" and Carrot Chips with a French twist, this burger blended ground sirloin beef with finely chopped white button mushrooms and was topped with caramelized onions, mushroom "bacon," carrot chips and herb aioli.
- **Second Prize of \$500:** Italian Style Shiitake Pecan Burger

For all the vegetarians out there, this Italian-inspired burger used shiitake mushrooms mixed with pecans, Parmesan and topped with sun-dried tomatoes.

The winners of the summer's retail display contest included Walla Walla's Harvest Foods in Walla Walla, WA, taking the Grand Prize with a festive and inviting mushroom grilling display. Evergreen IGA in Winthrop, WA and Rouses Supermarket in Raceland, LA followed in first and second place with eye-catching displays. All received contest entries creatively and impressively showcased mushrooms as summer grilling staple.

To further promote the contest, the Recipe Redux community teamed up with the Mushroom Council to launch a blogger engagement program designed to encourage their network of registered dietitian and health bloggers to share healthy, innovative mushroom recipes.



FOODSERVICE AND TRADE PROGRAM

During 2014, the Council continued to promote The Blend to restaurants, college and university dining halls, and non-commercial outlets. More than 20 restaurants integrated mushrooms permanently on their menus, as well as LTOs, this is a 66% increase from 2013. The Blend also picked up speed on campuses across the nation, resulting in 8 Mushroom Mania promotions. A large player in the foodservice distribution industry is onboard with the 'trend is to blend,' and is offering a new blended burger which will be available to thousands of operators. Media also recognized this concept as a great way to reduce calories, fat and sodium and promoted it across print and online publications, encouraging foodservice to get onboard.

- More than 20 restaurants
- integrated mushrooms
- permanently on their menus, as
- well as LTOs, this is a
- **66% INCREASE**
- from 2013

Mushrooms on the Menu

The Council worked with a variety of restaurants including Zaxby's, Stir Fry, Coco's, Houlihans, Darden Restaurant Group, Boston Pizza, California Pizza Kitchen and Acapulco to introduce ethnic mushroom dishes to promotional menus.

Other restaurant promotions:

- **Denny's** featured a "Build Your Own Skillet" promotion that prominently featured mushrooms and included them on the Philly & Egg Skillet, Chicken Chorizo Skillet and Sausage Supreme Skillet.
- **Black Angus** launched a Shareable Mushroom Platter, as a Winter LTO.
- **Maggiano's Little Italy** promoted its Rigatoni D with Mushrooms as their "Pasta of the Month". An LTO BOGO promotion was held, if patrons bought one Rigatoni D at the restaurant, they received a second serving to take home. In conjunction with this promotion, the Maggiano's Chefs Blog provided facts on mushrooms, including nutritional information, and educating consumers on the "The Trend is to Blend". The blog concludes with a call to action to go mushroominfo.com to subscribe to the Mushroom Channel Blog.



Maggiano's Little Italy, Rigatoni D with Mushrooms, Classic Pasta of the Month.

- **First Watch**, a midscale breakfast chain, menued a Frittata Rustica and Resolution Hash, both made with house-roasted crimini mushrooms. As well as a Veg'd Out Omelet with crimini mushrooms, zucchini, onion, tomato, broccoli, Cheddar and Monterey Jack cheeses.
- **Romano's Macaroni Grill** offered a Rustic Kitchen Meatballs special, and introduced a veal and mushroom-blended meatball, made with house-roasted garlic, caramelized onions and mushroom marsala wine sauce.



Left; Manhattan Stuffed Filet, Right; Harvest Mushroom Filet

- **Longhorn Steak House** featured a Manhattan Stuffed Filet in its "Steaks Across America" promotion. Billed as "Big City" taste, the filet is topped with a cheese-stuffed mushroom and a béarnaise sauce. Longhorn followed this promotion with a new Harvest Mushroom Filet, bringing in shiitake, oyster and crimini mushrooms a-top a filet with red wine bordelaise.
- **Smash Burger** offered mushroom blended burger patties, as well as the Truffle and Swiss Burger with arugula, truffle mayo, sautéed baby portabella mushrooms and aged Swiss on an egg bun.
- **Checkers** introduced the Prime Time Steakhouse Burger with Mushrooms on TV, radio and FSIs.



"We've taken this staple of American comfort food and given it a remarkable level of complexity and layered flavors. We begin by mixing fresh ground turkey with shiitake and button mushroom for earthy unctuousness..."

- Led by the Council's Healthy Menu Collaborative partners, **Gordon Biersch** introduced an LTO Turkey and Wild Mushroom Meatloaf. The meatloaf is a blend of ground turkey with white button and shiitakes mushrooms, served with mashed potatoes and roasted vegetables.
- **Olive Garden** hosted a new contest where consumers voted for their favorite Tour of Italy favorites for a chance to win a trip to Italy. There were three items including a Chicken Lombardi with Fettucine and Portabello.
- **Pizza Hut** introduced a revamped Flavor of Now menu, adding blended meatballs made with pork, beef, mushrooms and breadcrumbs.
- **Applebee's** launched All-In Burgers which "smash" mushrooms into ground meat—their version of The Blend.

RESTAURANT

MUSHROOM DISH

Cracker Barrel

Steak n' Egg Beaters® with Mushroom Sauce: 5oz. USDA Choice Top Sirloin* seasoned, cooked any way you like, and topped with sautéed fresh mushrooms, grilled onions, and a savory mushroom sauce. Comes with two fluffy scrambled Egg Beaters, three slices of red, ripe tomatoes, and a cup of Fresh Seasonal Fruit

Season's 52

Shrimp Cavatappi Pasta: Broccolini, roasted roma tomatoes, mushrooms, fire-roasted peppers, tomato-herb broth

Sonoma Goat Cheese Ravioli: Harvest vegetables, black mushrooms, roasted onion jus.

Signature Burger: Angus beef blended with Mushrooms.

Outback Steakhouse

Alice Springs Chicken & Coconut Shrimp: Crispy coconut shrimp paired with a 5oz. grilled chicken breast topped with bacon, honey mustard sauce, sautéed mushrooms, Monterey Jack and Cheddar. Served with your choice of one freshly made side.

Outback Special® Sirloin Portabella: Cooked to perfection and topped with seasoned bistro butter, wood-fire grilled portabella mushrooms and shaved parmesan. Served with your choice of one freshly made side and a Signature Side Salad.

The Capital Grille LTO

Wild Mushroom Wagyu Burger: Made with 15-year aged Balsamic, sautéed mushrooms and served with truffle parmesan fries.

P.F. Chang LTO

Firecracker Chicken: Wok-fired pineapple, Chinese broccoli, Fresno peppers and Asian mushrooms.

Wendy's

Bacon and Portabella Melt on a Brioche Bun

Burger King

Mushroom and Swiss BIG KING: Two savory fire-grilled beef patties, Swiss cheese and savory sautéed mushrooms on a sesame seed bun.

Ruby Tuesday

Shrimp Po Boy Flatbread: Fried shrimp, Parmesan cream sauce and a blend of mushrooms-peppers and onions.

Black Angus

Shareable Mushroom Platter with server incentive support from Council

Flik Independent School Dining

Last year the Council worked with **Flik Independent School Dining** on a recipe contest to showcase the taste, nutrition and sustainability aspects of mushroom. This contest resulted in an e-recipe book, released early 2014, containing 12 of the winning recipes. The sophistication of these recipes extends far beyond the school dining room—to foodservice settings serving adults and children alike. The e-recipe book can be downloaded from Mushroomsonthemenue.com

American Egg Board (AEB)

In March, a recipe photo-shoot was completed in conjunction with the Council's partnership with the **American Egg Board**. This opportunity brought forth a variety of 5 egg and mushroom recipes, including 3 vegetarian options; **Tuscan Garden Breakfast Flatbread**; **Green Curry Egg Sandwich**; **Steakhouse Breakfast**; **Huevos Rancheros with Portabella**; and **Breakfast Mash Up** (Breakfast Poutine). The recipes were released on the Mushroom Channel Blog, in April, as part of a Spring and Easter Brunch promotion.

Disney Epcot Food and Wine Festival

The Council continued to work with **Disney**, holding several nutritional seminars and a recipe contest for kid's meals among their chefs. A presentation at Disneyland resulted in the Executive Chef adding a mushroom-beef taco salad to their menus. At Disney's Epcot Food and Wine Festival more than 1.6 million people attended and were able to sample The Blend and a number of other mushroom dishes. The Blend was featured in the Africa kiosk, as well as on the main stage by Disney chefs and Chef Jehangir Mehta. The chefs demonstrated items such as the Graffiti Burger, a Beef-Bella-Blue Burger with Red Cherry Chipotle Ketchup, Turkey-Mushroom-Kale-Wheatberry Meatballs, Tuna-Shiitake Sliders and Smoked Duck-Shiitake Potstickers with Grand Marnier Glaze. Other items included dishes at 4 international kiosks, including demos of Stir Fried Beef and Mushrooms, at the Turf Club Bar and Grill, and Mushroom-Tuna Tartar on the center stage and Chicken-Mushroom-Leek Brik.

Chef Jeffery Quasha - The Blend Ambassador

The winner of the Council's Blend Recipe Contest, Jeffrey Quasha, has become a strong ambassador of The Blend. Chef Jeffery Quasha is the Executive Chef at Savannah Memorial Hospital, where they menu several blended items, and in October brought the concept to Savannah Public Schools.



"The meatballs were made with a 50/50 blend of mushrooms and meat. It reduces the calories in half, reduces the fat and increases the potassium. The best part is the kids don't realize they're eating mushrooms until you tell them. The hope is they will go home and ask for more." - Chef Jeffery Quasha

Chef Quasha gathered a team of local chefs, celebrities and volunteers at East Broad Street School for Childhood Nutrition Day and made spaghetti and meatballs, green salad, fresh green beans, fresh fruit and angel food strawberry cake for dessert. *"The meatballs were made with a 50/50 blend of mushrooms and meat,"* Quasha said. *"It reduces the calories in half, reduces the fat and increases the potassium. The best part is the kids don't realize they're eating mushrooms until you tell them. The hope is they will go home and ask for more."* Students loved their meal and the district is looking to put The Blend on the menu. The school event was covered by Savannah Morning News and the video can be seen [here](#).



- ***“The idea is not to take meat away, but to naturally enhance the nutrition profile while not giving up taste. From a consumer standpoint, adding mushrooms to a burger could be perceived as adding juiciness and umami.” - Deanne Brandstetter, Compass***

CA and Johnson & Wales

The Council presented to the **New England chapter of Research Chefs Association** on the campus of Johnson & Wales University, one of the premier culinary schools in the U.S. The presentation included a demo from Mushroom Council Chef Ambassador, Jehangir Mehta, and a presentation by Steve Solomon on the benefits of The Blend. More than 100 professionals attended, and the meeting kicked off a recipe contest open to the first 20 students at Johnson & Wales.

Compass Group

Compass launched a Mushroom Blended Favorites campaign, and promoted their initiative on Food Management. Compass’ Deanne Brandstetter said, *“the idea is not to take meat away, but to naturally enhance the nutrition profile while not giving up taste. From a consumer standpoint, adding mushrooms to a burger could be perceived as adding juiciness and umami.”*

Due to the success of the Mushroom Blended Favorites promotion, Compass hosted a *Superfoods Month* promotion in October, which was all about mushrooms—from meatless to The Blend. Compass also played host to a recipe contest, awarding the top 15 blendable recipes with the opportunity to go to the Culinary Institute of America (CIA) to cook their recipe. Top recipes included: Coconut chicken-mushroom sliders; Southwest turkey-mushroom burgers; bacon-mushroom fritters; and turkey-mushroom meatball banh mi.

Broadway Bites

Mushrooms popped up at Broadway Bites, a seasonal pop-up food market in Greeley Square Park, New York. This market, presented by UrbanSpace, brought together New York City’s most popular chefs, small culinary businesses and artisan producers. The Mushroom Council partnered with Chef Jehangir Mehta, of Graffiti and Me and You restaurant to bring The Blend to the event. Chef Jehangir Mehta’s space was focused around mushrooms and featured a large oyster mushroom backdrop. Chef Mehta, is offering 3 mushroom menu items; Pork and Portabella Dumplings, and Veg Mushroom Dumplings, both served with fried semolina for crunch; and their signature item, the Graffiti Burger, an Angus beef and mushroom blended patty topped with pickled onions and shiitake mushrooms, served on a brioche bun, and accompanied by garlic fries.

Let’s Talk About Food - Better Burger Project

During September, in honor of National Mushroom Month, the city of Boston and the Boston Globe hosted an event called Let’s Talk About Food. The Festival attracted 15,000-20,000 people who were able to view exhibits and cooking demonstrations by famous chefs. The starring event was a presentation of The Better Burger Project: Blending Meat and Mushrooms, by 7 of Boston’s top chefs. The blendable burgers will be placed on menus at popular Boston restaurants; Ashmont Grill, Deuxave, B. Good, Boston Chops, Graigie on Main and The Kirkland. The Council shared an exhibit with Harvard, and showcased Harvard’s own blended meat and mushroom recipes.



Broadway Bites; Chef Jehangir Mehta, of Graffiti and Me and You restaurant

“The Mushroom Council has come up with a blend of meat and mushrooms that kids will eat! It’s affordable, too. The Department of Agriculture has ordered some for its school lunch program. It could be used in tacos. According to the President of the Mushroom Council: ‘This is revolutionary because it’s so simple. It’s meat and mushrooms. They go together like peanut butter and jelly.’”



At the 2014 *Menu Directions Conference*, the Council, presented opportunities around The Blend, while celebrity Chef Jehangir Mehta demonstrated how to create the mushroom-beef burger, that he menus at his two New York City restaurants. Approximately 200 non-commercial operators were in attendance and the Councils presentation received excellent feedback including many colleges inquiring about bringing The Blend to their campuses. As per the audience evaluation, the Council was one of 9 presenters and achieved a 96% good/excellent rating score, exceeding the average of 89.5%. We received more “Excellent” ratings than any other speaker.

The Mushroom Council served lunch and discussed The Blend to 75 foodservice chain marketing directors at the *National Restaurant Association’s MEG conference*, in May. The Chefs from the Westin Hotel prepared two different blendable sliders—

a Moroccan Turkey Burger, and an upscale beef burger. The feedback was phenomenal, with a number of chains reaching out for more information

Topics of sustainability and The Blend were on the agenda at *Menus of Change*, a major conference created by the Culinary Institute of America (CIA) and Harvard University. A number of speakers, including Harvard and Compass, spoke about their success with The Blend. Harvard spoke to their 12 blended menu items and how they are making a positive impact on the environment. Compass showcased how they are rolling out the concept through their business dining, higher education, K-12 and healthcare businesses. Bloomberg Business Week reported on the conference and concluded, *“The Mushroom Council has come up with a blend of meat and mushrooms that kids will eat! It’s affordable, too. The Department of Agriculture has ordered some for its school lunch program. It could be used in tacos. According to the President of the Mushroom Council: ‘This is revolutionary because it’s so simple. It’s meat and mushrooms. They go together like peanut butter and jelly.’”*

Mushrooms Online and Print Publications

The Washington Post

A journalist from the *Washington Post* recognized the blend’s potential to reduce calories and improve taste as a result from sampling menu items that were featured at the Menus of Change conference. The article has been picked up by other newspapers, blogs and more.

Nation’s Restaurant News

Nation’s Restaurant News, a top publication read by chains, published an article about the number of foodservice establishments that are adopting The Blend. Included was the upcoming Applebee’s menu item which “smashes” mushrooms into their burger meat. Their article, *“Blended’ burgers take off”*, also mentions Seasons 52, The Cheesecake Factory, Flip Burger and Graffiti.

Food Management

Food Management completed an article and slide show on *7 Amazing Mushroom-Meat Blended Dishes* reporting, *“The Blend is a term that’s been catching on. When chefs*

blend meat with mushrooms, meaty dishes like burgers, meatloaf, beef burritos and meatballs can become a much healthier choice. The nutrition density of a dish goes up; it’s lower in cholesterol and calories and higher in Vitamin D, potassium and antioxidants. Not to mention just a great way to work more veggies into the dish.”

The same publication also featured a **Chef Demo: The Perfect Mushroom Burger**, by Chef Ian Thompson at Judson Smart Living in Chagrin Falls, Ohio.

Plate Magazine

As part of the Council’s partnership with *Plate Magazine*, the publication ran an advertorial in the August issue on vegetables. The advertorial showcased the **pork and mushroom meatballs** created by Clyde Common at the 2013 Chefs Table. The publication has a readership study, giving us an opportunity to see how readers perceive our message. Based on 32 total ads, the Council’s was the highest in terms of attention-getting, informative, believable,

image-enhancing and will plan to take action. Overall, it was one of the highest scoring ads in the magazine, a testament to the concept of The Blend.



SPOTLIGHT: COLLEGE AND UNIVERSITIES

Colleges and Universities Partnerships are Making an Impact

The Mushroom Council spoke to 45 colleges and universities at the UMASS Chefs Culinary Conference.

The Council continued to work with several of the top college foodservices in the nation, such as Stanford, USC, Yale, Harvard, and UMass. We also worked with University of North Texas, Texas A&M, Bowling Green and others. The Blend was the focus, but meatless remains a hot button. The Mushroom Council spoke to 45 colleges and universities at the UMASS Chefs Culinary Conference. After learning about The Blend, a number of the chefs participated in a workshop with Chef Jehangir Mehta to see first-hand how

The Blend works in the kitchen. Universities like Penn State, Cornell, Kent State, UConn, U. of Maryland and more, participated.

Throughout the year, Mushroom Mania invaded some of the most influential colleges, including UMASS, which was named by Princeton Review as the top foodservice program among all colleges and universities. The Blend, global cuisine and meatless are the stars of most of these promotions.



SPOTLIGHT: COLLEGE AND UNIVERSITIES



Mushroom Mania Took Over Campuses across the Nation

In January, University of Southern California (USC) jumped started the New Year with *Mushroompalooza*, a weeklong event that showcased more than 30 new mushroom recipes and educational and nutritional information for the students. The creation and development of the promotion began in mid-December with a mushroom recipe contest, hosted by the Council, for the USC Chefs. The recipes from the contest were then used throughout the weeklong event, which was celebrated in a major dining hall, their farmer's market and seven other eating venues. Café 84 featured a sauté station for students to get their fill of simple sautéed mushrooms; a medley that consisted of shiitake, crimini, maitake, and beech mushrooms. Mushroom pizza, risotto, salad, and soup were just some of the mouth-watering mushroom filled items that made an appearance on the Cafeteria menus across campus.

"I love what you can do with all the different varieties of mushrooms. I wanted to create dishes that were unique but still familiar – soup, flatbread, pot pie, tacos, these are all familiar pub dishes."

- Chef Joe Ledesmae



Alongside Cafe 84, several other campus restaurants including McKay's, The Lab Gastropub, Morton Fig, Lemonade, Seeds, and Traditions celebrated Mushroompalooza by serving up fresh mushrooms in everything from mushroom & spinach crepes to crispy tempura oyster mushrooms to blendable burgers.

The students weren't the only ones excited by the appearance of mushrooms, USC chefs showed excitement too; *"I love what you can do with all the different varieties of mushrooms. I wanted to create dishes that were unique but still familiar – soup, flatbread, pot pie, tacos, these are all familiar pub dishes,"* says Chef Joe Ledesma, who was thrilled to take part in the festivities. Chef Mikery Hatfield, Executive Chef at McKay's, also had a great time coming up with their mushroom menu, *"there are so many ways to menu mushrooms, but I wanted to really feature one new dish every day."* At the USC Weekly Farmer's Market, the Council worked with USC Executive Eric Ernest to serve Chicken & Mushroom Vietnamese Spring Rolls and Smoked Shiitake, Kale, & Spelt Salad.

USC and the Council used every platform available to promote *Mushroompalooza*. Students received free T-shirts if they took a "selfie" around a mushroom exhibit. *"Shirts for Selfies"* turned out to be a big hit, with USC running out of commemorative T-shirts. Facebook and social media played a critical role as well in the promotion. Traditional media was also used, as Mushroompalooza made the front page of the "Trojan"



University of North Texas (UNT)

At the end of February, a different version of Mushroom Mania swept through the University of North Texas (UNT). Tens of thousands of students were educated on the different varieties of mushrooms, nutritional benefits and how mushrooms are grown. UNT held a Council-sponsored recipe contest among their chefs, and was judged by high profile Chef, Maneet Chuahan of the TV show "Chopt". Chef Chuahan also created a mushroom lunch for students to sample while she demonstrated one of her special mushroom creations. The program was a success, "...in 20 years at UNT, this was the best event we have ever been a part of...we touched the lives of our students in a positive way and today we made them smile," said a UNT Dining rep.

: **"...in 20 years at UNT, this was the best event we have**
 : **ever been a part of...we touched the lives of our students**
 : **in a positive way and today we made them smile,"**
 :

University of Massachusetts (UMass)

During the month of March, Mushroom Mania came to University of Massachusetts (UMass), one of the top foodservice dining programs in the country, for a full week. As part of their promotions, the Council sponsored sauté stations and several growing room action stations at dining halls throughout campus. At each dining hall, a number of mushroom dishes were featured; several of the dishes were so popular they will be staying on the menu throughout the year. At every dorm, UMass menued a mushroom-meat slider as well as other blendable and meatless items. The Council also sponsored a chef demo with the Food Network Celebrity Chef, Jehangir. At the demo, Chef Mehta demonstrated his Graffiti Burger, while Council representatives spoke about growing techniques and nutrition, and answered questions from the large number of students in attendance.



University of Washington

In May, Mushroom May-nia descended on to the University of Washington campus for a full week. The school's dining halls served a rotating menu of mushroom dishes with lots of variety including, roasted chicken with mushroom sauce and pulled portabella mushrooms and smoked tofu in a steam bun. A free sampling at the university's highly trafficked "Market" caught the attention of hundreds of students, who lined up to try the simple sautéed white button mushrooms. Mid-week, students welcomed Food Network celebrity Chef, Jehangir Mehta, who prepared a special dinner for a table of 20 guests, including the University's President, Michael Young, and several students who were nominated by their peers for their exemplary leadership skills. At UW's Local Point Dining Hall, Chef Metha also demonstrated his famous Graffiti Burger to over 100 hungry students, receiving rave reviews about how much flavor the blended burger had, some even exclaiming "I never would have guessed there were mushrooms in it!"





Yale University

In February, the Mushroom Council was proud to participate in the *6th Annual Yale University Final Cut Culinary Competition*, which featured mushrooms as the secret ingredient. Teams of students from each of the 12 residential colleges battled each other in a cooking competition, in which they had one hour to prepare an appetizer and main course dish using fresh mushrooms and Atlantic salmon. Recipes were assessed by a panel of esteemed judges on a variety of criteria including taste, presentation and creativity. While the colleges had an hour each to complete their meals, Yale students were able to browse through the vendors and sample various products. Mushroom offerings were plentiful; crimini mushrooms sautéed in butter, shiitake mushrooms glazed with teriyaki, and mushroom bean tacos, with cheese, spicy chipotle and a tangy cilantro lime sauce were just some of samples students had the opportunity to try.

2014 Yale Final Cut winner was Berkeley College.

Appetizer: Thai Mushroom Salad

Entree: Thai Chili Salmon and Mushroom Dumplings in Lemongrass Coconut Broth.

Stanford University Cardinal Cook-Off

Stanford University introduced a blended burger, as well as a portabella sandwich and a blended meatloaf onto their 3-week cycle menu. In April, they held the Cardinal Cook-Off, where students had to cook with seafood and mushrooms for the contest. Other activities included a special educational class by Chef Mark Miller, who talked to a select group of students about mushrooms in Mexican cuisine as well as a demo.

Mushrooms and Earth Day Celebrations

Several Colleges and Universities took part in Earth Day celebrations, on April 22, focusing on green cities, and creating a sustainable, healthy environment by greening communities worldwide. During these weeklong festivities, mushroom promotions were in full swing at a number of campuses. Texas A&M, one of the largest universities in the country, menued nearly 30 different blendable items in their dining program. Chef Jehangir Mehta, New York City chef, was also in attendance to demonstrate his Graffiti Burger. The Council provided educational sessions, along with other promotional materials. The Council also supported Earth Day promotions at Bowling Green State University, Southeast Missouri State (SEMO) and University of Wisconsin, Whitewater. SEMO ran a contest, "What Kind of Fungi Are You" while the other universities promoted "Earth Day is Every Day."



Updated Materials and Resources

The Mushroom Council is continuously adding new materials to the foodservice website, www.mushroomsonthemenu.com. The website features information about incorporating mushrooms into meals, as well as new case histories, from:

- University of Massachusetts
- University of Southern California,
- Texas A&M and;
- University of Washington

New recipes, pertaining to foodservice, have been added throughout the year, including popular recipes from campus Mushroom Mania promotions;

- "Throwback" Crimini Pot Pie, courtesy of Chef Joe Ledesma, "The Lab", University of Southern California
- Charred Kale and Caramelized Shiitake Naan Pizza, the Tandoori Portabella Burger, courtesy of Chef Maneet Chauhan and;
- Umami Chocolate Panna Cotta, Maple Bacon Crisp, Mushroom Scallop Tartar, Duck Breast over Zucchini and Enoki Noodles, and Lemongrass Black Cod, Shiitake, Black Trumpet Dashi, courtesy of Chef Jehangi Metha.



SCHOOL NUTRITION PROGRAM

Students across the Country Enjoying The Blend in the National School Lunch Program

**The school program
drives both fresh
mushroom and
domestic IQF diced
mushroom volume into
a brand new market
for the mushroom
industry, an industry
with huge sales growth
opportunity**



When school lunch meal pattern requirements changed in 2012 to improve student health, the mushroom industry, foodservice directors and industry processors worked together to find solutions to produce meals which met USDA guidelines – and most importantly, appealed to children.

Due to changing regulations the school nutrition market has engaged one of the largest activations of The Blend since its inception. The National

School Lunch Program sparked initial visibility through mass acceptance with manufacturers, district directors and picky customers in a short period of time. The resulting menu items were affordable for schools, increase lunchroom sales and add an extra serving of vegetables in foods that students want to eat.

The acceptance in the school market has built a base for further blend market expansion. The school program drives both fresh mushroom and domestic IQF diced mushroom volume into a brand new market for the mushroom industry, an industry with huge sales growth opportunity. The program familiarizes students with mushrooms as they grow in their tastes to become life-long mushroom customers. The school story has given the industry a tremendous success story resulting in articles in major outlets such as The Huffington Post, Fortune, Washington Post and more.

Promotions & Pilots



New Orleans, Cincinnati, OH, Provo City, UT, Salem, OR, Baltimore, MD and St. Louis, MO played host to Mushroom Mania in their cafeterias this year. Pilots included menu revamps to include the mushroom blend on student favorites like meatballs, tacos and meatloaf.

Each district promoted the new blend menu items by including mushrooms on the salad and burger topping bars. Mushroom nutrition posters covered the walls and mushroom multi-media presentations played for students in the cafeteria. In New Orleans school district students produced a mushroom themed play, designed mushroom hats in art class and painted mushroom aprons for their lunch servers! In Provo City, Utah mushrooms were incorporated into their farm to school program providing students with local mushrooms weekly. At Provo, entrees with mushrooms are among the top five best-selling lunches! Mushroom Blended Favorites took over Salem Public Schools in Oregon. District operators switched out all ground beef entrées to mushroom blended beef entrees much to student's enjoyment. The students were so happy about the mushroom blend switch they used twitter to tell the school to change the lunch permanently to include more mushroom products!

All mushroom promotions have been added to the Mushrooms In Schools website a resource for districts across the country interested in including mushrooms in their menu cycle.

- The students were so happy about the mushroom
- blend switch they used twitter to tell the school
- to change the lunch permanently to include more
- mushroom products!



SPOTLIGHT: U.S. SENATE HEARING

"PA's the world mushroom cap-ital! Happy to ensure mushrooms are part of #SchoolMeals a today's @SenateAg hearing." - Senator Bob Casey, Twitter



Senator Bob Casey @SenBobCasey · Jul 23
PA's the world mushroom cap-ital! Happy to ensure mushrooms are part of #schoolmeals at today's @SenateAg hearing

Mushroom Pilots prove Students Love Mushrooms

Innovative school meal solutions, including mushroom blended meatballs were served on Wednesday, July 23, as the U.S. Senate Committee on Agriculture, Nutrition and Forestry examined the challenge of feeding America's school children.

The hearing featured testimony from school foodservice directors from Mississippi, Michigan, and Kentucky as Congress debated the current nutrition guidelines and began preparation for the re-authorization of school nutrition programs in 2015.

Senator Robert P. Casey, Jr. (D-PA) arranged for his colleagues to sample the meat and mushroom blend meatballs as an example of new products being introduced into

school meals to meet U.S. Department of Agriculture (USDA) nutritional guidelines. The Blend was introduced as the simple process of adding fresh, chopped mushrooms to meat, so that students' favorite meals can be made healthier without losing taste or texture while extending volume.

Senator Sherrod Brown (D-OH) cited the Cincinnati, Ohio school district as an early adaptor of the new nutrition guidelines. The district was one of the first to use mushroom blendability as a "student-approved" way to increase the healthfulness of the meat entree in school lunches.

SPOTLIGHT: USDA PRODUCT TASTING



Mushrooms featured at USDA Product Tasting

On Sept. 18 the Mushroom Council and the U.S. Department of Agriculture and four USDA Commodity Food Processors hosted a mushroom Blend product showcase. Ten mushroom-blended products utilizing mushrooms were presented to USDA staff, including Deputy Secretary of Agriculture Krysta Harden. The product showcase demonstrated the tremendous success of The Blend in the National School Lunch Program. Over 4 million students now have the opportunity to order healthy, mushroom-enhanced products for lunch this fall. This product showcase presented the quick adoption and demand of the mushroom blend since its scratch-cooking introduction to the USDA in August, 2012. Products included mushroom blended meatballs, burgers, pasta sauce, tacos and mixed blends.

Events and Conferences

Mushroom Council representatives sampled mushroom blended recipes from coast to coast in 2014 attending both state conferences and national conferences. District Directors at the annual Child Nutrition Industry Conferences received a 30 minute presentation on mushroom nutrition and the benefits of The Blend while sampling tacos, meatballs and burgers.

A group of district directors and chefs experimented with The Blend in the kitchen at the annual Culinary Institute of America's Healthy Flavors Healthy Kids conference. The mushroom group prepared spicy blended meatballs and tacos for a focus group of local San Antonio students. The spicy blended meatballs were the number one entrée chosen by the students to add to their menus! All attendees also received a fantastic presentation by Cincinnati Public Schools director, Jessica Shelley, an early adopter of The Blend.

Blended entrees were served up at the School Food Focus conference, an organization bringing together large, urban districts focused on transforming school lunch to provide healthier, more natural food for students.

The School Nutrition Association hosted a mushroom booth in the United Fresh Produce Pavilion at their Annual National Conference in Boston bringing together almost 10,000 school nutrition industry members.

In order to encourage districts and states to test mushroom blendability on a local level the Council attended School Nutrition State Conferences in Pennsylvania, California, Maryland, Texas, Florida, Georgia, New York, North Carolina and Illinois. It was a busy year sampling The Blend and sharing mushroom resources with school foodservice directors across the Country!

We look forward to continued success of The Blend in schools 2015!



Kathleen Preis, Mushroom Council and Dayle Hayes, School Nutrition Specialist, and at FNCE



Spicy blended meatballs, the number one entrée chosen by the students in San Antonio.



RESEARCH PROGRAM

New Science on Flavor-Enhancing Properties of Mushrooms

A new study from the Culinary Institute of America and University of California-Davis, published in the Journal of Food Science, explored the flavor-enhancing properties of mushrooms and found that blending finely chopped mushrooms with ground meat enhances flavor and nutrition.¹

Study Overview

The study, Flavor-Enhancing Properties of Mushrooms in Meat-Based Dishes in Which Sodium Has Been Reduced and Meat Has Been Partially Substituted with Mushrooms, conducted by University of California Davis (UC Davis) and the Culinary Institute of America (CIA) was published in the Journal of Food Science. Chef-instructors from the CIA developed eight test recipes, including recipes featuring The Blend, adding finely chopped mushrooms to beef, and a CIA registered dietitian performed nutrition analyses on the recipe. Six beef taco blend recipes differing in added salt and meat/mushroom blend ratios and two carne asada recipes differing in meat/mushroom blend ratios were developed. The intensity of the sensory attributes of the mushroom preparations, taco blends, and carne asada recipes were evaluated by a trained panel of 13 judges using Quantitative Descriptive Analysis to determine the flavor effects of using a blend of chopped crimini and white button mushrooms and ground beef, as well as sensory mitigation of sodium reduction in the taco blends.

Key Findings

This proof-of-concept sensory study provides the basis for how mushrooms and meat can combine for healthier alternatives to iconic American dishes. As the study shows, a traditional ground meat recipe prepared with 50 percent mushrooms and 50 percent meat (or even 80 percent mushrooms and 20 percent meat) can:

- Reduce calorie, fat and sodium intake, while adding nutrients like vitamin D, potassium*, b-vitamins and antioxidants
- Enhance the overall flavor, because of double the impact of umami
- Maintain flavor while reducing sodium intake by 25 percent

¹Myrdal Miller, A., Mills, K., Wong, T., Drescher, G., Lee, S.M., Sirimuangmoon, C., Schaefer, S., Langstaff, S., Minor, B. and Guinard, J.-X. (2014), Flavor-Enhancing Properties of Mushrooms in Meat-Based Dishes in Which Sodium Has Been Reduced and Meat Has Been Partially Substituted with Mushrooms. Journal of Food Science, 79: S1795–S1804. doi: 10.1111/1750-3841.12549

*A serving of white mushrooms supplies 8 percent of the daily value.

INDEPENDENT AUDITORS REPORT



Tenney and Company
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Governing Body
Mushroom Council

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, 2014, 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, 2014, 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, 2015, 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, 2014

MUSHROOM COUNCIL
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION
For The Year Ended December 31, 2014

REVENUES:	<u>2014</u>
Assessments:	
Domestic	\$ 3,938,349
Imports	516,539
PDA income	-
Other income and interest	<u>20,753</u>
 Total Revenues	 <u><u>4,475,641</u></u>
 EXPENDITURES:	
Administrative expenditures	295,410
Government and professional services - including compliance inspections	198,864
Research and information expenditures	<u>4,198,796</u>
 Total Expenditures	 <u><u>4,693,070</u></u>
 Excess of Expenditures over Revenues	 (217,429)
 NET POSITION - Beginning of year	 <u><u>1,581,208</u></u>
 NET POSITION - End of year	 \$ <u><u>1,363,779</u></u>

MUSHROOM COUNCIL
SCHEDULE OF CASH FLOWS
For The Year Ended December 31, 2014

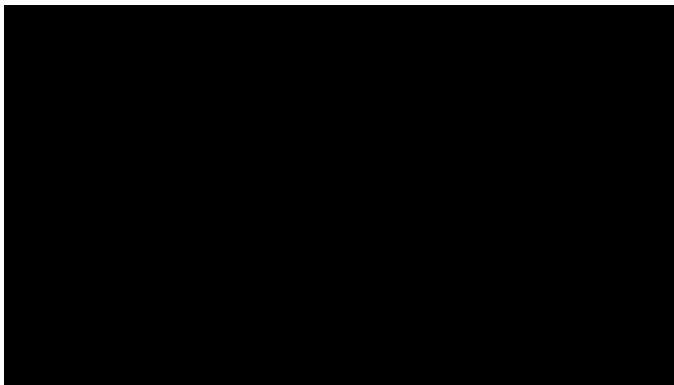
	<u>2014</u>
CASH FLOW FROM OPERATING ACTIVITIES:	
Excess of revenues over expenditures	\$ (217,429)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation expense	3,938
Loss (gain) on disposal of capital assets	6,180
(Increase) decrease in:	
Accounts receivable	131,555
Prepaid expenses	(7,076)
Increase (decrease) in:	
Accounts payable	(33,970)
Accrued wages and payroll taxes	<u>3,323</u>
Net Cash Used by Operating Activities	<u>(113,479)</u>
NET CASH FLOW FROM FINANCING ACTIVITIES:	
Cash paid for acquisition of capital assets	<u>(3,381)</u>
Net Cash Used by Financing Activities	<u>(3,381)</u>
Net Decrease in Cash	(116,860)
CASH - beginning of year	<u>1,084,045</u>
CASH - end of year	<u><u>\$ 967,185</u></u>

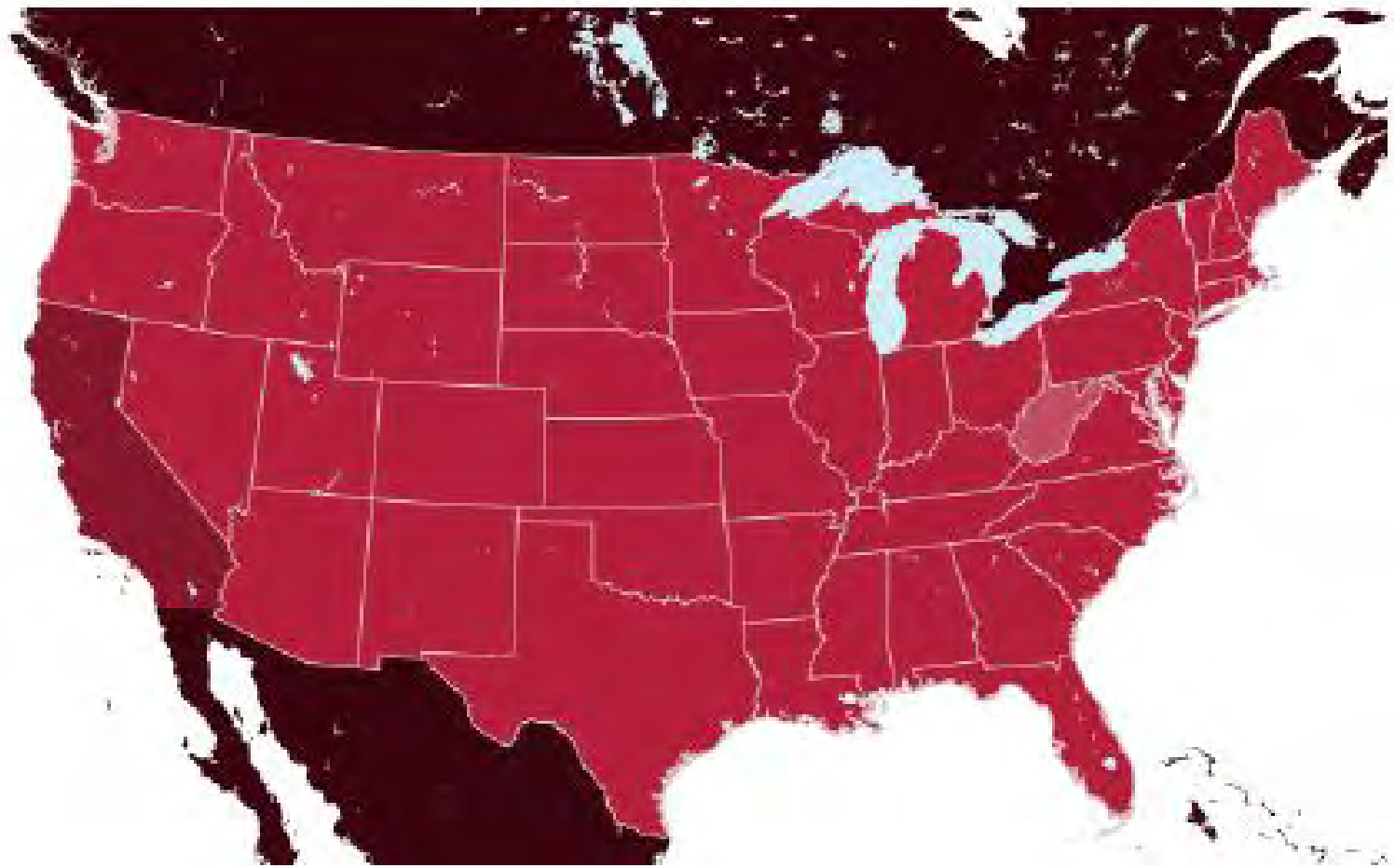
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Mushroom Promotion, Research, and Consumer Information Act of 1990. Accordingly, this report is not suitable for any other purpose.

Tenney and Company, CPA's





Region 1



Region 2



Region 3



Region 4, Including Importers

COUNCIL MEMBERS

YEAR	REGION	COUNCIL MEMBER	POSITION
2014	2	Tony D'Amico	Chair
	2	Dave Carroll	
	1	Pat Jurgensmeyer	V. Chair
	4	Elizabeth O'Neil	Secretary
	3	Roberto Ramirez	
	2	Jim Angelucci	
	2	Gale Ferranto	Treasurer
	1	Charles Bosi	
	3	Robert Murphy	
2013	3	Joe Caldwell	
	2	Tony D'Amico	Vice Chair
	1	Fletcher Street	Chair
	2	Dave Carroll	
	1	Pat Jurgensmeyer	Treasurer
	4	Elizabeth O'Neil	Secretary
	3	Roberto Ramirez	
	2	Jim Angelucci	
	2	Gale Ferranto	

YEAR	REGION	COUNCIL MEMBER	POSITION
2012	2	Jim Angelucci	Chair Treasurer Vice Chair
	2	Jim Howard	
	3	Roberto Ramirez	
	3	Joe Caldwell	
	2	Tony D'Amico	
	1	Fletcher Street	
	2	Dave Carroll	Secretary
	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	
	3	Roberto Ramirez	Chair
	3	Joe Caldwell	
2010	2	Greg Sagan	Chair
	2	Jim Angelucci	
	1	Greg McLain	Secretary
	2	Jim Howard	
	4	Hank Vander Pol	Vice Chair
	3	Roberto Ramirez	
	3	Joe Caldwell	Treasurer
	2	Kathleen Lafferty	
2009	1	Fletcher Street	Chair Secretary
	2	Greg Sagan	
	1	Virgil Jurgensmeyer	
	1	Greg McLain	
	2	Paul Frederic	Vice Chair
	4	Hank Vander Pol	
	3	Robert Crouch	
	3	Joe Caldwell	
2008	2	Kathleen Lafferty	Treasurer
	1	Fletcher Street	
	2	Carla Blackwell-McKinney	Chair
	1	Virgil Jurgensmeyer	
	1	Greg McLain	Vice Chair
	2	Paul Frederic	
	5	Hank Vander Pol	Secretary
	3	Robert Crouch	
2007	3	Joe Caldwell	Treasurer
	2	Kathleen Lafferty	
	1	Fletcher Street	Vice Chair Chair Treasurer
	2	Carla Blackwell-McKinney	
	4	Curtis Jurgensmeyer	
	4	Greg McLain	
	2	Lynn James Angelucci	Secretary
	3	Charlee Kelly	
	1	Mortensen	
	2	Paul Frederic	
	5	Hank Vander Pol	
	3	Robert Crouch	

YEAR	REGION	COUNCIL MEMBER	POSITION
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	
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	

YEAR	REGION	COUNCIL MEMBER	POSITION
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	
1995	3	Douglas Tanner	Secretary
	2	Edward Leo	
	2	James Angelucci	
	2	James Ciarrocchi	
	3	John Haltom	Treasurer
	1	Robert Miller	Chair
	3	Shah Kazemi	
	4	Virgil Jurgensmeyer	Vice Chair
	1	Wilhelm Meya	

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



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