

The Strategic Marketing Institute Working Paper

The Black Trumpet Mushroom Market

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Introduction

Black Trumpet mushrooms are a specialty mushroom that is sold primarily as a dried product. For the most part they are imported or harvested wild. Black Trumpet mushrooms are found under deciduous trees in the Northeast and Midwest. Their flavor is highly valued and can be used for a variety of purposes including sauces, steak, soups and wild game dishes.

The primary market for Black Trumpet Mushrooms is specialty retail or high end food service. The price of these mushrooms at the retail level is quite high. Earthy Delights, a restaurant supply firm, sells them for \$25 a pound (http://earthy.com/a_dried_mushroom.htm); Mushroom Heaven sells a 4 oz. package for \$16 (<http://www.gmushrooms.com/GmNet/DreidBT.htm>). Both of these prices are for the dried product. Farm level prices would undoubtedly be much lower.

This paper will assess the market for mushrooms in general and the market for specialty mushrooms in particular. Given the highly specialized nature of the Black Trumpet mushroom market, an in-depth analysis of that particular market is not possible. However, there does seem to be a great deal of potential for specialty mushroom production.

The Mushroom Market

Per capita consumption of mushrooms has been increasing for an extended period of time. In 1965, per capita consumption of mushrooms was 0.69 pounds (Lucier, Allshouse and Lin, p. 2); in the 2003/04 crop year, per capita consumption was 4.14 pounds (Lucier and Jerardo, p. 19). This represents an increase of 600 percent from 1965. Mushrooms are now the fifth leading vegetable in terms of farm receipts trailing

only, potatoes, tomatoes, lettuce and onions (Lucier and Jerardo, p. 19). Consumption of mushrooms tends to be highest in the West and Midwest (Lucier, Allshore and Lin, p. 1). Consumers of mushrooms are primarily Whites and Asians (Lucier, Allshore and Line, p. 9).

Table 1 shows the total production of mushrooms from 1999-2000 to 2003-04.

Table 1: Production by Type of Sale 1999/00-2003/04 (1,000 lbs.)			
Year	Fresh	Processed	Total
1999/00	668,541	185,853	854,394
2000/01	692,630	153,579	846,209
2001/02	692,451	138,863	831,314
2002/03	697,248	139,150	836,398
2003/04	700,860	143,099	843,959

Source: USDA

Over time, the proportion of mushrooms for the fresh market has increased while the proportion of mushrooms for the processed market has declined. The number of mushroom farms is holding steady or slightly increasing while the size of the operations is increasing. This is quite different from the rest of agriculture where the number of farms is declining.

The strong consumption and consistent production has put upward pressure on prices. This is more true for the fresh mushroom market than the processed mushroom market. Table 2 shows the overall price of mushrooms at the farm level from 1999-2000 to 2003-04.

Table 2: Mushroom Price 1999/00 to 2003/04 (cents per lb.)

Crop Year	Fresh	Processed	All
1999/00	107.00	60.60	97.00
2000/01	106.00	57.90	97.60
2001/02	115.00	52.50	105.00
2002/03	112.00	55.90	102.00
2003/04	114.00	54.60	107.00

Source: USDA

The overall price of mushrooms has increased from 97 cents per pound in 1999/00 to \$1.07 in 2003/04. However, the price for processed mushrooms appears to be trending downward. Despite this, the overall outlook for mushrooms is positive.

Specialty Mushrooms

In most respects the market for specialty mushrooms closely mirrors that of the overall mushroom market. There are only 167 growers of specialty mushrooms, defined as those who have at least 200 natural wood logs in production or commercial indoor growing areas, and there are only 25 that produce varieties other than Shiitake or Oyster mushrooms (USDA, p. 10). The market for specialty mushrooms is growing very rapidly. Sales were \$40 million in 2003/04, an increase of 16 percent from the previous year (USDA, p. 12). It appears the market for specialty mushrooms has the most potential for growth.

Table 3 gives additional information on the specialty mushroom market; the prices are at the farm level.

Table 3: Specialty Mushrooms: Production and Price 1999/00 to 2003/04

Year	Shiitake		Oysters		All Specialties (Including Shiitake, Oysters and Others)	
	Production (1,000 lbs)	Price	Production (1,000 lbs.)	Price	Production (1,000 lbs.)	Price
1999/00	8,635	3.29	3,573	2.16	13,534	3.05
2000/01	9,391	3.17	3,187	2.13	14,605	3.04
2001/02	8,454	2.92	4,273	2.01	14,268	2.76
2002/03	7,476	3.08	3,997	1.91	11,908	2.89
2003/04	7,762	3.24	4,208	2.05	13,161	3.04

Source: USDA

Specialty mushroom prices are considerably higher than Agaricus mushrooms also known as white button mushrooms, the most common type. Shiitake and Oyster mushrooms dominate the specialty mushroom market accounting for more than 90 percent of specialty mushroom production.

However, it should be noted that the market for specialty mushrooms is likely to be very small. There are only 25 farmers that grow varieties other than Shiitake and Oysters that are large enough to be counted by the USDA. While the cultivation and marketing of Black Trumpet mushrooms may be profitable for a few (perhaps as small as two or three producers), a major increase in Black Trumpet mushrooms would likely lead to a price collapse. Black Trumpet mushrooms are a classic example of a “thin market”; i.e., an industry characterized by few buyers and sellers where small changes in output can lead to large price swings. It is important for producers interested in Black Trumpet production to identify specific firms that would be interested in purchasing these mushrooms.

To take full advantage of the market potential for Black Trumpet mushrooms it is necessary to determine the supply chain for these mushrooms. This includes identifying possible producers willing to meet quality, quantity and time specifications, firms that act as distributors of specialty mushrooms to both the retail and restaurant industry and finally the retailers and restaurants themselves. However, it appears that it is possible to establish such a supply chain.

Conclusion

Mushrooms are the fifth largest vegetable in terms of farm receipts. The demand for mushrooms is relatively strong and appears to be growing. This includes the demand for specialty mushrooms such as the Black Trumpet. There are few, if any, producers of this type of mushroom. The primary markets for these mushrooms are specialty retailers and firms that supply the restaurant industry.

However, it should be noted that it would only take a few producers to meet the needs of this market. A large increase in Black Trumpet mushroom production would lead to a price collapse. Identification of buyers is important for the success of potential Black Trumpet mushroom producers.

References

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