



AMERICAN MUSHROOM INSTITUTE

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FOR IMMEDIATE RELEASE

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MUSHROOM GROWERS FACING RISING COSTS

Avondale, PA, August 9, 2019 – U.S. mushroom growers are facing rising costs due to climate volatility, continued labor issues, changes in consumer preferences, transportation expenses, and more, just as the industry is preparing for its busy fall holiday season when mushroom demand increases 30%-40%, according to the American Mushroom Institute.

“Many of these issues affecting production costs have been percolating for some time, and growers have worked to absorb the additional costs. The landscape has shifted, and growers are currently experiencing a ‘perfect storm’ of multiple factors contributing to increased production costs,” explained AMI President Rachel Roberts.

Those factors include:

Weather and Raw Materials: Recent climate volatility and extreme rainfall events have presented a challenge for mushroom growers. Last summer and fall, there was record-setting rainfall in the east. The materials harvested held more water than normal, which accelerated deterioration and caused decreased yields. In turn, more material was required to fill grower needs, increasing overall production costs. The challenge has continued into 2019 due to a wet spring. As a result, growers are sourcing their raw materials from farther areas, which also adds to production costs.

Labor: Mushroom harvesting is highly labor-intensive. On average, mushroom growers are operating with only 75% of the workforce needed to harvest full yields, and many growers report leaving hundreds of pounds of mushrooms on the growing beds because they cannot find the labor required to harvest them.

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Additionally, growers in some states are facing mandatory minimum wage increases. As Roberts explains, “California will soon increase its minimum wage by 9%. In a business where labor costs top 50%, a 9% increase will, for example, cost California mushroom growers an additional 4.5% in labor costs.”

Consumer Preference: While white button mushrooms lead fresh market sales, organic and brown mushrooms (Cremini) are increasing in consumer popularity. Due to the way they are grown, organic and brown mushrooms produce smaller yields than white button mushrooms, costing more to produce. Compared with white button mushrooms, the yield for brown mushrooms is nearly 15% to 20% less for the same square footage of production, further affecting costs.

Roberts cautioned, “Mushroom growers continually look for ways to improve efficiencies where they can; however, right now they are operating at full capacity and unfortunately facing headwinds beyond their control.”

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About AMI

The American Mushroom Institute (AMI), headquartered in Avondale, Pennsylvania, is a national voluntary trade association representing the growers, processors, and marketers of cultivated mushrooms in the United States and industry suppliers worldwide. For more information, visit www.americanmushroom.org.