

## KENTUCKY SHIITAKE PRODUCTION WORKBOOK

# Marketing

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## Introduction

Realtors like to say that the three most important things about a property are “location, location, and location.” The three most important things about a successful shiitake mushroom business are “marketing, marketing, and marketing.”

Over the past twenty years or so, shiitake mushrooms (*Lentinula edodes*) have become more of a mainstream commodity. You can find them for sale in national supermarket chains and in local grocery stores, at farmers markets, and on restaurant menus. It is still necessary for the grower to design his or her own marketing plan, as there is no “automatic” or “plug-in” marketing system. In a world where we are increasingly aware of food safety, the first responsibility of the grower is to be *sure* that the mushrooms growing on the logs are, in fact, shiitake mushrooms. Shiitakes are a brown-capped mushroom with white gills (undersides) and usually have a distinctive row of white dots on the upper surface of the cap, close to the outside cap edge. When you inoculate your logs according to directions and keep them reasonably clean and free of debris, insects, and dirt during the incubation period, the mushrooms that emerge from the logs *should* be only shiitake.



## Assessing the Market

The most common outlets for marketing your shiitake mushrooms are farmers markets, whole food and health food stores, restaurants and restaurant suppliers, supermarkets (especially locally owned rather than the national chains), produce buyers, and produce wholesalers. Smaller producers probably would target the first three of the outlets on this list; larger producers might target the broader outlets (regional, national).

Before deciding on a marketing approach, answer the following questions:

- Is there a market within a reasonable distance of your production area?
- What are the needs of the buyers you contact?
  - » How much product do they need?
  - » How often will they need delivery (weekly, daily)?
  - » Will you be able to meet these needs?
- Do you want to target a market for fresh mushrooms or dried mushrooms (or both)?
- Are you interested in developing value-added products?
- Are there other shiitake growers in your area?
- If you have competition, is there a “market niche” that you can use to gain a competitive advantage?

The market assessment worksheet (Table 1) will help you clarify what you want to market, where you want to market it, in what form you want to market it, when you want to market it, and how you will manage your marketing efforts.

## Location

When you are figuring out where you want to market your product, consider where your logs are located in relation to where you want to sell your mushrooms. Transportation costs are probably going to continue to increase, and that cost is key in deciding how far away you can afford to market your product.

**Table 1. Market Assessment Worksheet for Shiitake Mushrooms**

Answer the following questions to help assess your market for shiitake mushrooms.

- What are your target markets?
- What assessment tools will you use?
  - » Periodicals (*Bon Appétit* magazine, *Progressive Grocer* magazine)
  - » Associations (state grocery, wholesaling and/or restaurant trade associations)
  - » Grocery, fruit and produce wholesalers' yellow pages
  - » Corporate headquarters of buyer organizations
  - » Food editors (local newspapers, magazines)
  - » Restaurant and hotel associations (chefs)
  - » Farmers markets (managers)
  - » Cooking schools
  - » Mushroom growers associations
- What are the characteristics for the shiitake mushroom consumer in your market area?
- Who are your local competitors, and what are their strengths and weaknesses?
- What is the history of shiitake production in your area?
- How can you use that information to project the future of shiitake marketability? (Remember: It will take 6 to 18 months for your first inoculated logs to produce.)
  - » Price?
  - » Supply?
  - » Demand?
- What is happening with marketability of specialty products (value-added products) in your target area (increasing, decreasing, stable)?
- What environmental factors will influence the sale of shiitake mushrooms (drought, flooding, insects, disease, competing fungi, predators)?
- Are you comfortable marketing through the internet?

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Adapted from: The Shiitake Marketing Guide for Growers. 1994. The Forest Resource Center, Lanesboro, MN.

Remember if you want to target local restaurants, call first and find out a good time to meet with the chef. (Mid-afternoon is often a good time.) Arrange to meet with the chef face-to-face and bring a sample few ounces of your product.

## Product

Fresh shiitake have a reliable shelf life of at least a week after harvesting, if the mushrooms have been refrigerated at about 35° F within an hour of cutting them off the logs and they have been kept under refrigeration until they reach their destination. Because of these requirements, you may need a refrigerated truck or some very efficient portable coolers for product delivery.

Dried shiitake (about 7 pounds of fresh yield 1 pound of dried) have a longer shelf life (6 months or longer) and do not require refrigeration. Value-added products (dried soup mixes, dried dip mixes, teas, etc.) have a long shelf life also. Converting fresh mushrooms into a value-added

food product will require following U.S. Department of Agriculture guidelines for preparing a commercial food product. Contact your local county extension office for assistance with the guidelines. You also will need to use a commercial kitchen or certified to prepare such products, if they are to be sold to the public.

## Medicinal Value

Shiitake mushrooms have been researched for their potential medicinal value in Asia for nearly 50 years. U.S. scientists have begun to do similar research. The medicinally active ingredient of the mushrooms (lentinan) is being evaluated for its use fighting cancer, lowering cholesterol, lowering blood pressure, and other properties. In general terms, shiitake are considered to be useful in stimulating the immune system and can be marketed as capsules of mushroom powder or mushroom parts. Aside from the potential for direct mushroom sales and value-added food products, shiitake has also been used

in non-food value-added products such as facial creams, soaps and lotions. Shiitake grown on natural logs usually measure higher (sometimes two or more times higher) in medicinally active ingredient than those grown on artificial substrates. This increased medicinal value can be a selling edge for your log-grown product.

## Summary

As with any new product venture, doing your homework first will help you succeed. Read, ask questions, call people, go online, and get maximum information before you get into production of shiitake on a large scale. (Inoculating 100 to 200 logs would be a good start to see if you like it.) A good general reference is *Wild and Exotic Mushroom Cultivation in North America: A Grower's and Gourmet's Guide to the New Edible Species* (1984), by Geraldine C. Kaye (Lubrecht & Cramer Ltd.).

Photo: <http://www.gettyimages.com>

Mushroom illustrations by Dennis Duross, Extension Communications Specialist

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## Quick Shiitake Meal

From Skip Garrett, LaRanch O-Possum

### Ingredients

- 1 package (2.8 ounces) Ramen noodles
- 2 cups water
- ½ cup frozen stir-fry vegetable mix
- 1 large shiitake mushroom, sliced

### Directions

- Place noodles and sauce mix in water in a 2-quart microwave casserole dish.
- Layer stir-fry vegetables on top of noodles.
- Microwave on HIGH for 4 minutes.
- Mix ingredients together well.
- Add shiitake slices and microwave for an additional minute.
- Drain water if desired, or use as a soup.

Serves 2.