

MUSHROOM

INDUSTRY REPORT 06 | 07

MUSHROOMS OVERVIEW



Know-how for Horticulture™

The mushroom research and development program continues to bring about great new opportunities and benefits for the mushroom industry. The purpose of this annual report is to bring you up to date on the progress of the projects conducted by the industry over the last twelve months and to provide a glimpse of what to expect in 2007/08.

In 2006 Horticulture Australia Limited (HAL) and the Australian Mushroom Growers Association (AMGA) agreed upon a timetable to contract new mushroom industry projects. Strong collaboration between both organisations ensured that the June 2007 timeline was met and the program is now ticking along better than ever.

This year a new range of projects was contracted in line with the industry's strategic investment priorities, which are:

- Achieving market growth by developing an environment where there is a strong demand for mushrooms
- Ensuring people in our industry are appropriately skilled and supported
- Providing information to increase efficiencies on farm
- Minimising risks to industry

Two new projects focus on investigating the nutritional and health-promoting properties of mushrooms. These projects follow on from the project MU04001 which identified the link between mushrooms and improved health as a

key driver to consumption over the next decade.

One of the new projects targets the important area of breast and prostate cancer research. In the other, a program has been established that will ensure a lasting association with the medical research community. Stay tuned for future updates on the Mushrooms and Health Research Portfolio project (MU06023).

The new mushroom disease monitoring project continues on from project MU05002 (see report included within this document) and is an excellent example of the benefits that are being obtained through international collaboration and cooperation. Growers can expect to see production and efficiency continue to improve as new systems and protocols

for monitoring and managing disease are developed.

In other great news, results from a review of the industry's integrated marketing program have confirmed that great value has been gained from this program and strongly supports its continuance.

Please take your time to read through this report to see how the levy has been spent on R&D and marketing over the past year. There have been plenty of positive outcomes for the industry, and with the new projects that are in the pipeline, this looks set to continue.

For more information contact:

Will Gordon

HAL Industry Services Manager

T 02 8295 2300

E will.gordon@horticulture.com.au



These projects have been facilitated by HAL in partnership with the Australian Mushroom Industry Association (AMGA). Projects have been funded by the mushroom levy and/or voluntary contributions from industry. The Australian Government provides matched funding for all HAL's R&D activities.

MUSHROOM MARKETING PROGRAM INDEPENDENTLY REVIEWED

In late 2006, the Mushroom Industry Advisory Committee (MIAC) of Horticulture Australia Limited requested an independent review of the mushroom industry's marketing and promotions program funded by the statutory levy.

The objective of the review was to provide an assessment of the appropriateness, effectiveness and value for money of the current and proposed AMGA marketing and promotional program and to identify opportunity gaps.

Mr Nick Bez, of Melbourne-based SMI undertook the review during January and February, 2007. His findings were extremely positive and indicated that mushroom growers can be pleased with the way in which their money has been invested and the results that have been achieved. He complimented the efforts of all those involved with the program.

In summary, he found that, overall the mushroom industry marketing and promotions plan for 2007–2008 is a well constructed, resourced plan. Its overall design is consistent with the 'integrated marketing' approach.

Mr Bez's review also noted the program is anchored by a series of major events that incorporate 'calls to action' from the market reinforced by a series of national and local initiatives to support continuity, as well as action-specific opportunities.

A variety of communication channels are utilised to maximise the reach of the program. The unifying message in the communication revolves around the positioning statement: *Mushrooms – the great all-rounder.*

The deliverables of the program demonstrate strong inter-linkages and multiple points of leverage. This is a feature of the integrated approach whose end goal is to develop a self-supporting set of activities that reinforce the key message with behavioural change in a way that magnifies the investment made in any individual component.

Key program elements have been studied and those outputs that can be externally benchmarked, specifically radio and public relations, are both seen to be highly competitive in their value and deliverables.

The underpinning Industry Strategic Plan is also of high quality. The planning process utilises a time horizon approach that is highly consistent with best practice planning methodologies. It engages industry stakeholders in its development by allowing input through regional workshops and industry summits. This supports the inclusion of a 'voice' at all levels of the industry value chain and is strongly endorsed.

Further the industry is to be lauded, Mr Bez's review said, for its commitment to monitoring and analysis of the market in general and its specific focus on ensuring effective outcomes through systematic review and analysis of specific initiatives.

The level of evaluation undertaken by the industry through longitudinal market research (*Mushroom Monitor*) and post-activity analysis is highly comprehensive and provides a strong grounding upon which to make informed decisions. This aspect is often the weak link in planning exercises in many organisations.



Mushroom recipe leaflet

"In an operational sense there is clear alignment between the overall strategy and the annual marketing and promotions program," the review said.

Project MU06011

For more information contact:

Greg Seymour, AMGA

T 02 4577 6877

E seymour@amga.asn.au

AUSTRALIAN GOVERNMENT PRIORITIES FOR RURAL RESEARCH AND DEVELOPMENT

As part of the Australian Government's commitment to rural research and development, horticulture industries can access matching Commonwealth funding through HAL for all research and development activities.

All R&D programs managed through HAL are driven by the strategic direction of horticulture industries and address the Australian Government's Priorities for Rural Research and Development. These Government priorities and a breakdown of the number of projects and the value of projects that address each priority are available in HAL's annual report. This can be accessed at www.horticulture.com.au.

CONTINUOUS IMPROVEMENT IN THE MARKETING PROGRAM

A major reason for the mushroom industry's ongoing growth is the integrated marketing program, continues to evolve and improve. Activities within the three key pillars of the program are outlined below.

Consumer Marketing: Mushroom Month promotions and media celebrations were held throughout September 2006, with radio advertising in all capital cities featuring a Mushroom Month theme.

A BBQ mushroom promotion and competition also commenced in September via a new recipe leaflet and radio advertising. The new recipe leaflet was distributed to wholesalers, retailers, greengrocers and statutory levy payers, providing consumers with quick, easy and innovative ideas for using mushrooms. The 'Go for 2&5' message was featured in the program.

Throughout the year, a wide range of activities were staged, designed to provide consumers with information and ideas for the use of mushrooms. These included:

- Demonstrations at the Sydney Royal Easter Show; the Newcastle Show; the Good Food and Wine show; the ABC Garden Show; food fairs throughout Queensland; the Sea and Vines Festival at McLaren Vale, SA; the Great Australian Lifestyle Show in Melbourne and the WA Wine and Food festival.
- Production and distribution of mushroom recipe leaflets.



BBQ Mushroom Promotion



Mighty Mushroom at the Kids in the Kitchen program at Regency TAFE, Adelaide

Foodservice: The Mushroom Mania foodservice promotion held during June 2006 was a great success with 1044 restaurants participating nationally.

Chefs in local areas throughout Australia were encouraged to feature mushrooms on their menus. Competitions for the best mushroom dish and other Mushroom Mania awards culminated in an awards presentation in Sydney in mid-August. More information about the recipes and award winners is available on the website www.mushroommania.com.au.

Among the extensive range of events across Australia, highlights included:

- Provision of dinner vouchers to the value of \$5,500 from participating restaurants in Sydney. This strategy added value to the AMGA advertising package and provided the restaurants with valuable PR.
- 2006 Mushroom Mania ambassador, Peter Evans, presented cooking demonstrations at the Sydney Home Show with demonstrations being promoted in an electronic newsletter to more than 5,000 people.
- Media releases were issued to key outlets nationwide to promote Mushroom Mania to the public.
- The event – Restaurant 06 – was

held in the Royal Hall of Industries, Moore Park in Sydney and attracted chefs, restaurateurs, hotels, restaurant chains and contract caterers. During the two-day event, the importance of mushrooms for the foodservice industry was underlined and demonstrated.

- A mushroom degustation dinner was organised at Cibo Restaurant in Adelaide, which received excellent media coverage and provided exposure of Mushroom Mania.
- More than 120 Australian Culinary Federation professionals and dieticians attend A Fantasia of Mushrooms in Melbourne.

Retail: The Mushroom Madness promotion and consumer competition was held during March 2007 involving a new recipe leaflet and radio advertising.

The Mushroom Retailer of the Year competition and subsequent awards presentation were highly successful. A retailers' workshop is planned for next year prior to the presentation functions.

Project MU06900

For more information contact:

Greg Seymour, AMGA

T 02 4577 6877

E seymour@amga.asn.au

GAINING AND MAINTAINING MINOR USE PERMITS FOR THE INDUSTRY

The facilitation of access for the mushroom industry to new and improved products and processes for mushroom production is vital and on-going. Recent research activity undertaken by the Marsh Lawson Mushroom Research Unit (MLMRU) at the University of Sydney has focused on obtaining access for abamectin and establishing a new use pattern for an existing registration of pyrethrins as pest control agents.

Abamectin

Abamectin was investigated as an alternative to fenamiphos (Nemacur) for control of saprophytic nematodes and as an alternative to diazinon for control of mites. Abamectin is in a class of recently introduced chemicals which have low mammalian toxicity and will be particularly valuable to mushroom growers in preference to existing chemicals. Completed analyses for an earlier abamectin trial showed very low chemical

residues in harvested mushrooms.

Four residue trials with abamectin have been completed using an emulsifiable concentrate formulation. Following completion of the series of trials and receiving the residue analysis report, a submission will be made to the Australian Pesticide and Veterinary Medicine Authority (APVMA) requesting approval of abamectin for control of saprophytic nematodes and mites in mushrooms.

Pyrethrins

A new usage pattern for pyrethrins in the control of adult sciarids (fungus gnats) and phorids (hump-backed flies often called scuttle flies) has also been investigated.

Pyrethrins (Pestigas) is already approved for the control of adult sciarids and phorids during mushroom cropping but the latest trials were designed to evaluate residues from a new use pattern for the chemical of up to nine applications during a single

flush. Two residue trials have been undertaken with pyrethrins (Pestigas) utilising a formulation containing the synergist piperonyl butoxide.

Mushroom samples from the trials have been dispatched for residue analysis by Botanical Resources Australia in Tasmania. Pending analysis a submission will be made to APVMA seeking approval for the new use pattern.

The mushroom industry is informed of activities at MLMRU through the quarterly AMGA Journal. Any approvals by the APVMA are reported to the industry through the AMGA Journal, the Agora website www.emushrooms.org and at the industry's annual conference.

Project MU06013

For more information contact:

Greg Seymour, AMGA
T 02 4577 6877
E seymour@amga.asn.au

A MUSHROOM DISEASE MONITORING SYSTEM (MDMS) FOR AUSTRALIA

Development of a state-of-the-art pest and disease monitoring system for Australia's mushroom growers has been initiated.

Mushroom growing is a specialised, high-value industry that is subject to periodic disease outbreaks that can have significant effects on the final yield of a crop. The Australian mushroom industry needs better decision-making tools for disease management.

Current methods for detection and identification of disease-causing pathogens involve initial isolation of the pathogen into culture before subsequent morphological identification. This process is slow and can be unreliable. A system comprising rapid and accurate tools to detect and quantify the amount of a pathogen on-farm before it is visible would improve the disease management decision-making process and subsequent

yields in mushroom production.

Outcomes from the MDMS project included:

- A three-day workshop involving international experts was held in October 2006 in both Sydney and Adelaide. During the workshop key information about major disease threats to mushroom production systems around the world was presented and discussed.
- DNA-based methods for detecting key fungal diseases of mushrooms have been developed and trialled. These tools will allow the rapid and accurate identification of fungal and viral-disease threats before they are apparent.
- Laboratory-based experiments have been undertaken to find the best sampling methods for detecting disease-causing agents in mushroom production units. Data from these experiments will be used to develop models for early prediction of disease and associated risks.
- Methods for detecting fungicide-resistance in a collection of fungal pathogens affecting mushroom operations in Australia has been established and is being used to provide information to growers.
- Further fundamental scientific studies and subsequent on-farm verification will result in a set of diagnostic protocols being developed for the industry enabling growers to receive early notification of disease detection.

Project MU05002

For more information contact:

Greg Seymour, AMGA
T 02 4577 6877
E seymour@amga.asn.au

MUSHROOMS FOR LIFE

The Mushrooms for Life project follows scientific and market research which has identified the link between mushrooms and improved health as a key driver to consumption over the next decade.

Mushrooms for Life tracks the many scientific papers and publications that deal with the nutritional and health-promoting benefits of mushrooms and collates them to provide a coherent, easy-to-understand summary of the benefits. During the project the Australian industry has been able to establish strong international scientific links, with the collaboration of the US mushroom industry being very significant, allowing the identification of research that can be used to generate publicity.

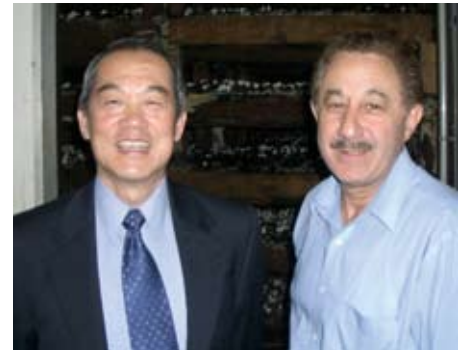
The project enabled the creation of the *Mushrooms for Life* website (www.mushroomsforlife.net) to present the research on mushrooms and health, as well as the following series of public fact sheets on the nutrition profile and health benefits of mushrooms:

1. *Mushrooms for vitality* indicating the high levels of B vitamins in mushrooms
2. *Healthy babies and healthy hearts* covering the benefits of the folate found in mushrooms
3. *Essential minerals* such as selenium, potassium, copper and phosphorus
4. *Healthy intestines* outlining the benefits of eating fibre-containing foods like the mushroom
5. *Keeping trim* as mushrooms are both very low in kilojoules, yet very high in appetite satiety
6. *Glycaemic Index* as mushrooms have an exceptionally low GI
7. *Avoiding cancer*. The latest research suggests that mushrooms can reduce the risk of both breast and prostate cancer

With an increased awareness of the health potential of mushrooms, mainly via *Mushrooms for Life*, the Mushroom Monitor project recorded improvements in key performance indicators (KPIs)

since 2002 including annual purchase frequency up 3.8 per cent and sales volume up 11.5 per cent (see page nine). An unprecedented 64 per cent of consumers now consider mushrooms to be very nutritional and there has been a 29 per cent increase over the last two years of references to the health-related aspects of mushrooms.

The project has been the springboard for establishing the Mushroom and Health Research Unit at the University of Western Sydney. This unit will analyse mushrooms for their vitamin and antioxidant content, as well as the effects of mushrooms on immune functions. Results from this research will allow the industry to better promote the health benefits of mushrooms.



Left: Dr Shiuan Chen, Beckman Research Institute, City of Hope Hospital in California who is Principal Investigator of Breast and Prostate Cancer Clinical trials. Right: Douglas Schirripa, Principal, Adelaide Mushrooms and AMGA Deputy Chairman

Project MU05005

For more information contact:

Greg Seymour, AMGA

T 02 4577 6877

E seymour@amga.asn.au

AMSAFE MAINTAINS MUSHROOM INDUSTRY'S INTEGRITY

The Australian Mushroom Industry has successfully developed a Crisis Management Plan – AMSafe.

The plan provides the management system and guidelines for preparing for, responding to, and recovering from, domestic and international crisis situations that could possibly affect the Australian Mushroom Industry.

AMSafe focuses on the industry's capability to rapidly identify, and effectively respond to, potential or actual threats that could result in an industry crisis. This ensures that the industry can maintain its sound 'through-chain' reputation for producing quality mushrooms.

The plan complements existing emergency response plans held by individual mushroom industry organisations, HAL, and Commonwealth, State and Territory Governments.

AMSafe is managed by a committee which makes decisions on behalf of the industry. AMGA provides the secretariat for AMSafe and is custodian of the plan.

The AMSafe committee would take the lead role in the event of a crisis.

Should a crisis threaten or overwhelm the entire Australian Mushroom Industry, or if cross-industry involvement is likely, HEP or government assistance can be sought under AMSafe.

The latest updated AMSafe plan has been distributed to industry. AMGA convened a workshop to discuss the plan and provided training for the media and industry newcomers.

Project MU06900

For more information contact:

Greg Seymour, AMGA

T 02 4577 6877

E seymour@amga.asn.au

STATE OF THE AUSTRALIAN MUSHROOM INDUSTRY

(Source: AMGA – 2006 Statistics)

Mushrooms are the second most valuable fresh product in the vegetable category, after potatoes. (Source: ABS). Most mushrooms produced in Australia are the common white mushrooms (*Agaricus bisporus*). About 98 per cent of domestic production is eaten as fresh mushrooms, with only small quantities going to processing.

The total mushroom industry in Australia is made up of domestic and imported *Agaricus*, domestic and imported exotic mushrooms, dried and in-liquid value-added products. The total market is 61,620 tonnes with a farm gate value of \$250 million; a GVP at first point of sale of \$295 million; a retail value of almost \$0.5 billion retail. Market growth was only 1.5 per cent in 2005/06 due to a reduced level of canned *Agaricus* mushroom imports.

Industry expansion is likely to be from existing growers, utilising new technology and advanced management to achieve the increased production capacity and productivity. Because of the complexity and capital requirements of the business, new entrants are unlikely to contribute significantly to immediate growth.

- The Australian mushroom industry is dominated by domestic *Agaricus* mushroom production. 2005/06 annual *Agaricus* production was 55,480 tonnes valued at \$236 million at farm gate with a GVP of \$266 million. Growth was just under 3 per cent for 2005/06.
- There are 92 commercial *Agaricus* growers in Australia. 3 companies produce +50 per cent of production; and 15 companies produce 75 per cent of production. The industry directly employs 4,000 people around Australia.
- There is growing demand for exotic, nutraceutical and wild mushrooms (eg shiitake, oyster, straw etc). However, this niche market is very small (1000 tonnes p.a.) and will only

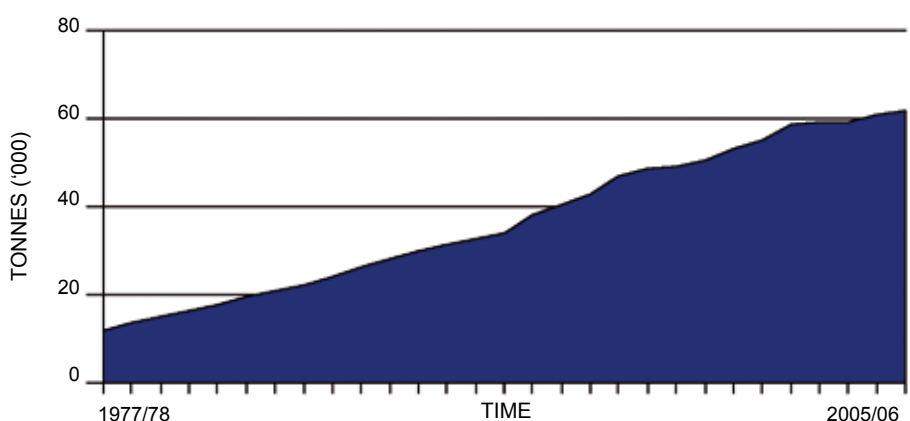
grow slowly unless there is significant investment in promoting the segment to consumers. Over the next 5 years growth will be slow at about 1–2 per cent with an estimated value of \$6–\$7 million.

- Australian annual per capita mushroom consumption jumped from 0.6 kg in 1974 to 3.0 kg in 2005/06. Australian *Agaricus* consumption of 2.69 kg/head is over double US levels, on par with several European countries but is way behind China at 10kg per head and Germany at 4g per head.
- Imports have fallen from approximately

50 per cent of the market in the mid-1970's to 10 per cent in 2005/06. The industry is continuing to replace fresh imports with domestic product but there appears to be significant opportunities for Australians to develop value-added products using Australian mushrooms to compete with imported products if a level playing field can be established.

- 75 per cent of fresh *Agaricus* domestic production is sold through retail outlets with 23 per cent going to food service market and 2 per cent going to processing.

Total Mushroom Market
(includes domestic production and imports)



DID YOU KNOW?

- 86% of Australian households buy mushrooms
- 55% of them buy at least once per week
- 38% of primary grocery shoppers always have mushrooms on their shopping list
- The average purchase volume is 457 grams
- 88% of consumers love mushrooms in a stir-fry
- 83% of consumers love mushrooms in a salad
- About half the child population either like or love mushrooms and over 90% of people over the age of 25 either like or love mushrooms
- 74% of mushroom eaters would probably order a mushroom entrée in a restaurant
- 98% of mushroom eaters believe mushrooms add something special to a dish

ACROSS INDUSTRY PROGRAM 2006/07

The mushroom industry contributes funding towards an across industry program that addresses issues affecting all of horticulture. Details of the current program are listed below. A full report of the program can be found at www.horticulture.com.au/industry/acrossindustry.asp.

Project No	Title	Start Project	Project Completion	Organisation	Contact
Outcome 1: Enhance the efficiency, transparency, responsiveness and integrity of the supply chain for the total industry to provide clear market signals					
AH04006	Horticulture gene technology communication	2004/05	2006/07	Agrifood Awareness Australia Limited	Paula Fitzgerald 02 6273 9535
AH04007	Pesticide regulation coordinator	2004/05	2009/10	AKC Consulting Pty Ltd	Kevin Bodnaruk 02 9688 0444
AH04009	Coordination of minor use permits for horticulture	2004/05	2007/08	AgAware Consulting Pty Ltd	Peter Dal Santo 03 5439 5916
AH04035	Minor use coordination HAL management costs	2004/05	2009/10	Horticulture Australia Limited	Brad Wells 02 8295 2300
AH05018	Review of successful consumer satisfaction projects	2005/06	2006/07	Horticulture Australia Limited	Sarah Pennell 02 8295 2300
AH06004	Horticulture Code of Conduct – industry support package	2006/07	2006/07	Horticulture Australia Council	Kris Newton 02 6273 9600
AH06007	Primary production and processing standards	2006/07	2007/08	Horticulture Australia Limited	Richard Bennett 03 5825 3753
AH06012	Evaluation strategies for varieties derived from Australian breeding projects or imported varieties	2006/07	2006/07	Horticulture Australia Limited	Marian Sheehan 02 8295 2300
AH06013	Horticulture for the consumer CRC – business plan	2006/07	2006/07	Australian Institute for Commercialisation Ltd	John Kapeleris 1300 364 739
Outcome 2: Maximise the health benefits of horticultural products in the eyes of consumers, influencers and government					
AH06008	Human nutrition needs for horticultural industries allocation	2006/07	2006/07	Horticulture Australia Limited	Sarah Pennell 02 8295 2300
AH06010	Promoting the health advantages of F&V to increase their consumption – Phase 2	2006/07	2006/07	Horticulture Australia Limited	Chris Rowley 02 8901 0329
Outcome 3: Position horticulture to compete in a globalised environment					
AH05003	Coordination of market access for horticulture products	2005/06	2006/07	Stephen Winter & Associates Pty Ltd	Stephen Winter 03 9832 0787
AH05024	Fruit fly workshop	2005/06	2006/07	Horticulture Australia Limited	Brad Wells 02 8295 2300
AH05034	Market access support program	2005/06	2006/07	Horticulture Australia Limited	Kim James 08 6389 1407
AH06006	Establishment of a pesticide residue task force	2006/07	2006/07	Horticulture Australia Limited	Brad Wells 02 8295 2300
AH06014	Codex attendance 06/07	2006/07	2006/07	Horticulture Australia Limited	Richard Bennett 03 5825 3753

ACROSS INDUSTRY PROGRAM 2006/07

Project No	Title	Start Project	Project Completion	Organisation	Contact
Outcome 4: Achieve long-term viability and sustainability for Australian horticulture					
AH06003	Horticulture for Tomorrow – Phase II	2006/07	2006/07	Horticulture Australia Limited	Alison Turnbull 02 8295 2300
AH06002	IMC Horticulture industry strategic plan contribution	2006/07	2006/07	Horticulture Australia Limited	John Webster 02 8295 2300
AH06009	Horticulture Water Initiative Phase 3	2006/07	2006/07	RMCG	Anne-Maree Boland 1300 306 043
AH06011	Industry development review	2006/07	2006/07	Richard de Vos	Richard de Vos 02 9973 4507
AH06015	Cooperative venture for capacity building (CVCB) membership fees	2006/07	2007/08	Horticulture Australia Limited	Richard Stephens 02 8295 2300
AH06016	Human capability – building strategy benchmarking horticulture's labour and skills	2006/07	2006/07	Horticulture Australia Council	Kris Newton 02 6273 9600
AH06019	Australian horticulture's response to climate change and climate variability	2006/07	2006/07	Horticulture Australia Limited	Alison Turnbull 02 8295 2300
AH06100	Horticulture data audit	2006/07	2006/07	AEC Group Limited	Ashley Page 07 3831 0577
AH06101	Horticulture data audit associated costs	2006/07	2006/07	Horticulture Australia Limited	Andrew Collins 02 8295 2300
AUSHORT					
AH01015	Key genes for horticultural markets	2001/02	2006/07	CSIRO Plant Industry	Steve Swain 03 5051 3159
AH03002	Area wide management of fruit fly – Central Burnett	2003/04	2006/07	QLD Department of Primary Industries & Fisheries	Annice Lloyd 07 3896 9366

MUSHROOM PROGRAM 2006/07

Project No	Title	Start Project	Project Completion	Organisation	Contact
MU04005	Facilitation of information transfer to the mushroom industry through AMGA Journal and newsletter	1-Sep-04	30-Jun-07	Australian Mushroom Growers Association Ltd (AMGA)	Greg Seymour 02 4577 6877
MU05001	Research into international anti-dumping legislation for the canned mushroom industry	16-Jun-06	1-Dec-06	Australian Mushroom Growers Association Ltd (AMGA)	Mark Napper 02 9622 8007
MU05002	Mushroom Disease Monitoring System	18-Apr-06	31-Jul-07	Australian Mushroom Growers Association Ltd (AMGA)	Tony Biggs 02 9622 8002
MU05005	Mushrooms for Life	1-Apr-06	30-Sep-07	Australian Mushroom Growers Association Ltd (AMGA)	Glenn Cardwell 02 9622 8002
MU05008	Pest & Disease Management Service	1-Jul-05	30-Jul-06	Australian Mushroom Growers Association Ltd (AMGA)	Judy Allan 02 9622 8002
MU05011	Investigate market opportunities for Spent Mushroom Substrate	15-May-06	30-Dec-06	Australian Mushroom Growers Association Ltd (AMGA)	Richard de Vos 02 9622 8002
MU05013	Mushroom Analytical Business Case	16-Jun-06	15-Dec-07	Australian Mushroom Growers Association Ltd (AMGA)	Greg Seymour 02 4577 6877
MU06013	Minor Use permits for the mushroom industry	1-Aug-06	30-Jun-09	Australian Mushroom Growers Association Ltd (AMGA)	Tony Biggs 02 9622 8002
MU06014	Qualitative and quantitative consumer market research for the mushroom industry (Mushroom Monitor)	1-Aug-06	31-Jan-07	Australian Mushroom Growers Association Ltd (AMGA)	Mike Brownlee 02 9622 8002

MUSHROOM PROGRAM 2006/07

Project No	Title	Start Project	Project Completion	Organisation	Contact
MU06011	International Mushroom Industry Collaboration 2006/07	1-Jul-06	30-Jun-07	Australian Mushroom Growers Association Ltd (AMGA)	Greg Seymour 02 4577 6877
MU06012	2006 National Mushroom Industry Annual Conference	1-Aug-06	30-Jan-07	Australian Mushroom Growers Association Ltd (AMGA)	Greg Seymour 02 4577 6877
MU06900/10	Partnership Agreement/Industry Consultation 2006/07	1-Jul-06	30-Jun-07	Australian Mushroom Growers Association Ltd (AMGA)	Greg Seymour 02 4577 6877
MU06900/10	Industry Statistics Collection	1-Jul-06	30-Jun-07	Australian Mushroom Growers Association Ltd (AMGA)	Greg Seymour 02 4577 6877
MU06900/10	AMSAFE program	1-Jul-06	30-Jun-07	Australian Mushroom Growers Association Ltd (AMGA)	Greg Seymour 02 4577 6877
MU06500	Mushroom industry marketing and promotions program	1-Jul-06	30-Jun-07	Australian Mushroom Growers Association Ltd (AMGA)	Greg Seymour 02 4577 6877

CONSUMER MARKET ANALYSED BY MUSHROOM MONITOR

The Mushroom Monitor is a series of market research studies the industry has been undertaking periodically since 1991. The 2006 edition revealed all key performance indicators (KPIs) trending in a positive direction.

The findings of the latest Mushroom Monitor were drawn from a quantitative telephone study (random telephone interviews in mainland capital cities), focus groups (conducted in Sydney and Melbourne), and 'reality check' interviews conducted at retail checkouts (Sydney – at Coles, Woolworths, and at an independent fruit and vegetable outlet).

The July 2006 results were compared with those from similar studies conducted earlier in July 2004 and October 2002. They were also compared with a 2005 USA 'usage and attitude' study to provide a broader perspective. Since 2002:

- Annual purchase frequency of mushrooms has increased by 3.8 per cent.
- The volume purchased has risen by 11.5 per cent.
- average price paid has increased by 26 per cent.
- Price paid per kilo is 19.4 per cent greater.

- Mushrooms became 4 per cent more a 'destination' in the fruit and vegetable area of retail outlets.

A nett 17 per cent of interviewees indicated they are buying more mushrooms because of changing tastes, family preference and versatility.

The two strongest factors (after habit) contributing to purchases are that the recipe 'calls for them' (42 per cent – up 2 per cent) and they look good (13 per cent – down 7 per cent). Price is only influential for 5 per cent of people (down 1 per cent).

Other key findings in the 2006 Mushroom Monitor were:

- Consumer awareness of mushroom advertising showed an increase of 4 per cent to 45 per cent.
- A significant increase in the purchase of pre-packed mushrooms – 46 per cent of interviewees had bought a pre-pack in the last 12 months. Three factors had contributed to the increase: convenience (63 per cent), they looked good value (28 per cent), product looks good (16 per cent).
- Since 2004 there was a major increase in people purchasing exotic

mushrooms. In 2004 only 38 per cent had bought exotics. In 2006 the figure for purchases over the last 12 months rose to 46 per cent.

The results in consumer perceptions of mushrooms in 2006 pointed to a shift in the way people perceive mushrooms.

The 2006 findings showed a dramatic increase in the nutritional rating with 64 per cent rating mushrooms as very nutritional – a 13 per cent rise over the 2004 Mushroom Monitor findings. The segment with the highest rating in this area was people who recalled the radio advertising.

Overall, the Mushroom Monitor findings indicate that the industry is doing a very good job in communicating with its customers at levels meaningful to different market segments. This is reflected at the point-of-sale with increased relevant purchase behaviour as shown by the KPIs.

Project MU06014

For more information contact:

Greg Seymour, AMGA

T 02 4577 6877

E seymour@amga.asn.au

FINANCIAL REPORT (UNAUDITED) MUSHROOM INVESTMENT SUMMARY 2006/07

YEAR ENDED 30 JUNE 2007

	Marketing 2006/2007	R&D 2006/2007	Combined 2006/2007
Funds available 1 July 2006	360,326	104,354	464,680
INCOME			
Levies Received	1,698,889	566,296	2,265,185
Commonwealth Contributions		545,908	545,908
Other Income	33,801	7,823	41,624
Total Income	1,732,690	1,120,027	2,852,717
Budget	1,575,008	1,015,032	2,590,040
Variance to Budget	157,682	104,995	262,677
PROGRAM INVESTMENT			
Levy Programs	1,428,000	821,816	2,249,816
Service Delivery Programs by AMGA	24,000	180,000	204,000
Service Delivery Programs by HAL	30,000	90,000	120,000
Across Industry Contribution		11,621	11,621
Levy Collection Costs	16,273	5,424	21,697
Total Investment	1,498,273	1,108,861	2,607,134
Budget	1,474,260	991,738	2,465,998
Variance to Budget	(24,013)	(117,123)	(141,136)
Annual Surplus/Deficit	234,417	11,166	245,583
Closing Balance 30 June 2007	594,743	115,520	710,263

MUSHROOM INDUSTRY ADVISORY COMMITTEE

Bob Granger (Chair)
Richard Bell
Brian Carroll
Paul Neale
Greg Seymour
Doug Schirripa
Mick Surridge
Kevin Tolson



**FOR MORE
INFORMATION
CONTACT:**

Will Gordon
Industry Services Manager
Horticulture Australia Limited (HAL)

T 02 8295 2329

E will.gordon@horticulture.com.au