

THE AUSTRALIAN FOODSERVICE MARKET FOR MUSHROOMS

MARKET INSIGHTS



**Private report prepared for Hort Innovation
July 2019**



CONTENTS



Slide 3	Chapter 1	Introduction
Slide 7	Chapter 2	The Australian Foodservice Market for Mushrooms
Slide 13	Chapter 3	The Foodservice Menu
Slide 17	Chapter 4	Meals Serving Mushrooms
Slide 29	Chapter 5	Source of Supply for Mushrooms
Slide 47	Chapter 6	Education & Training
Slide 61	Chapter 7	Quality of Australian Mushrooms
Slide 68	Chapter 8	Reasons for Not Including Mushrooms on the Menu
Slide 71	Chapter 9	Reasons for Including Mushrooms on the Menu
Slide 74	Chapter 10	The Use of Mushrooms in a Meal
Slide 77	Chapter 11	Conclusions



1

INTRODUCTION





This report emanates from the market research study 'The Australian Foodservice Market for Avocados, Mushrooms & Onions' conducted by Food Industry Foresight Pty Ltd during the 1st & 2nd Quarter of 2019.

For each of the three produce categories, the two overriding research objectives were:

- i. To determine total market size by commercial and institutional foodservice channel in volume & value and by product type
- ii. To provide detailed market insights into:
 - Foodservice trends & developments
 - The use of the produce in question in foodservice operators' menu offerings at different meal segments
 - Distribution & main sources of supply
 - The importance of country of origin
 - Foodservice operators' quality perceptions of Australian grown produce





Furthermore, for Mushrooms, the study also addressed:

- i. Foodservice operators' understanding of and purchase of first versus second grade Mushrooms. The extent to which they consciously choose to buy one or the other
- ii. How operators' define the difference between first and second grade Mushrooms
- iii. The importance of further training and education amongst foodservice operators on how to use Mushrooms in their menu dishes; and preferences on how this training should be delivered



In summary, the research study is based upon:

- i. Qualitative interviews
- ii. A quantitative survey according to a statistically correct sample & sample structure for the Australian Foodservice market; utilising a structured questionnaire
- iii. Primary collected data analysed by Food Industry Foresight's proprietary market size model

All research findings and analysis for each of the three produce categories are presented within two reports in PowerPoint format and one market size database presented in Excel.

Further study details are contained within our Proposal 'The Australian Foodservice Market for Avocados; Mushrooms & Onions'.



2

THE AUSTRALIAN FOODSERVICE MARKET FOR MUSHROOMS





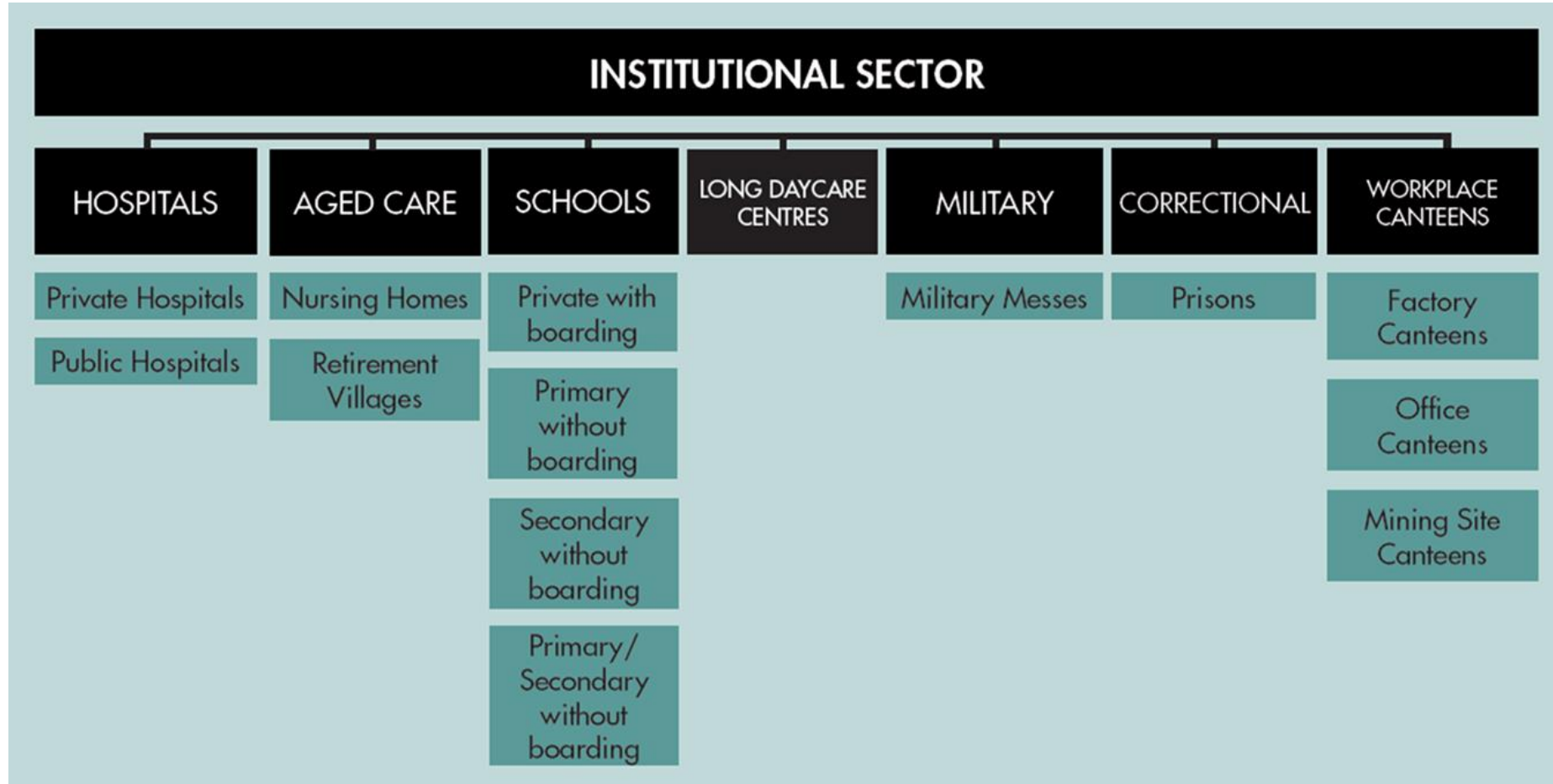
- ❖ The Australian Foodservice Market is unique among all other foodservice markets in the world with its plethora of cuisines we all call our own and the lack of a real national cuisine. The market is vibrant, dynamic and constantly evolving. It is the fastest changing food market in terms of market size.
- ❖ Over the past three to four decades, Australians have made eating out a way of life. While the last decade in the Australian Foodservice market has been the most volatile in its history, Australians still today have one of the highest propensities to eat out among Western nations. Eating out is part of the Australian fabric – eating out encompasses all socio-economic groups in this enormous country.
- ❖ The Australian palate is bold and open, and we eat out for breakfast, brunch, lunch and dinner.
- ❖ More than 8 billion meals are served in the Australian Foodservice market every year, and at the end of 2018, 77% of all Australians aged 14 years+ ate out on a regular basis, that is at least once per month.

For further information please see [FIF's Annual Trend Report for the Australian Foodservice market](#).





COMMERCIAL SECTOR								
FULL SERVICE RESTAURANTS (FSR)	HOTELS/MOTELS	CAFÉS	QSR CHAINS	QSR INDEPENDENTS	CATERERS	CLUBS	PUBS	FUNCTION CENTRES
4/5 Star Restaurants	4/5 Star Hotels/Resorts	Café/Coffee Shop Chains	International/Western Fast Food Chains	Independent Fast Food Outlets	Institutional/Contract	Sports Clubs	Pubs/Taverns	
Mid to Low-end Restaurants	2/3 Star Hotels/Resorts	Café/Coffee Shop Independents	Regional/Local Fast Food Chains		Sole/Function Operators	Social Clubs	Small Bars	
	Motels	Bakery Chains with Café	Snack Food Chains		Airline	Leagues Clubs		
		Bakery Independents with Café	Ice Cream Chain Outlets			Other Private Clubs		
			Juice Bars					



THE AUSTRALIAN FOODSERVICE MARKET FOR MUSHROOMS



It is against this backdrop that opportunities for Mushrooms in the Australian Foodservice market should be analysed and evaluated.

- Mushrooms are a unique ingredient with a unique flavour profile that changes the taste of all dishes Mushrooms are used in. Sometimes Mushrooms is center of plate, that is a hero ingredient; other times foodservice operators use Mushrooms more as a staple ingredient and a filler in dishes.
- There is no real substitute for Mushrooms in a dish. In this sense, the use of Mushrooms among chefs and cooks can be likened to Mayonnaise. Albeit Mayonnaise is seen as a staple product only, there is no substitute for Mayonnaise as an ingredient or by itself as, for example, a dipping sauce.
- As with Avocados but not Onions, Mushrooms have benefitted from the strong foodservice growth in the meal segment Breakfast over the past years.



THE AUSTRALIAN FOODSERVICE MARKET FOR MUSHROOMS



- Australians have long had the highest propensity among Western nations to eat out for Breakfast. However, generally it is also the first meal segment to suffer when times are tough. Despite falling living standards and no or little wage growth over the past years, Breakfast has showed a strong growth along with Brunch. These two meal segments continue to be the fastest growing segments. It has led to Restaurants moving from two main meal segments (lunch & dinner) per day to three; and Cafés expanding to two meal segments per day when previously mainly serving lunch guests.
- Chefs use Mushrooms extensively across all three main meal segments, that is Breakfast, Lunch and Dinner.
- Albeit Mushrooms have a high nutritional value, it does not give them a competitive advantage when measured against other vegetables as is the case with Avocados; which have a bit of a superfood label.



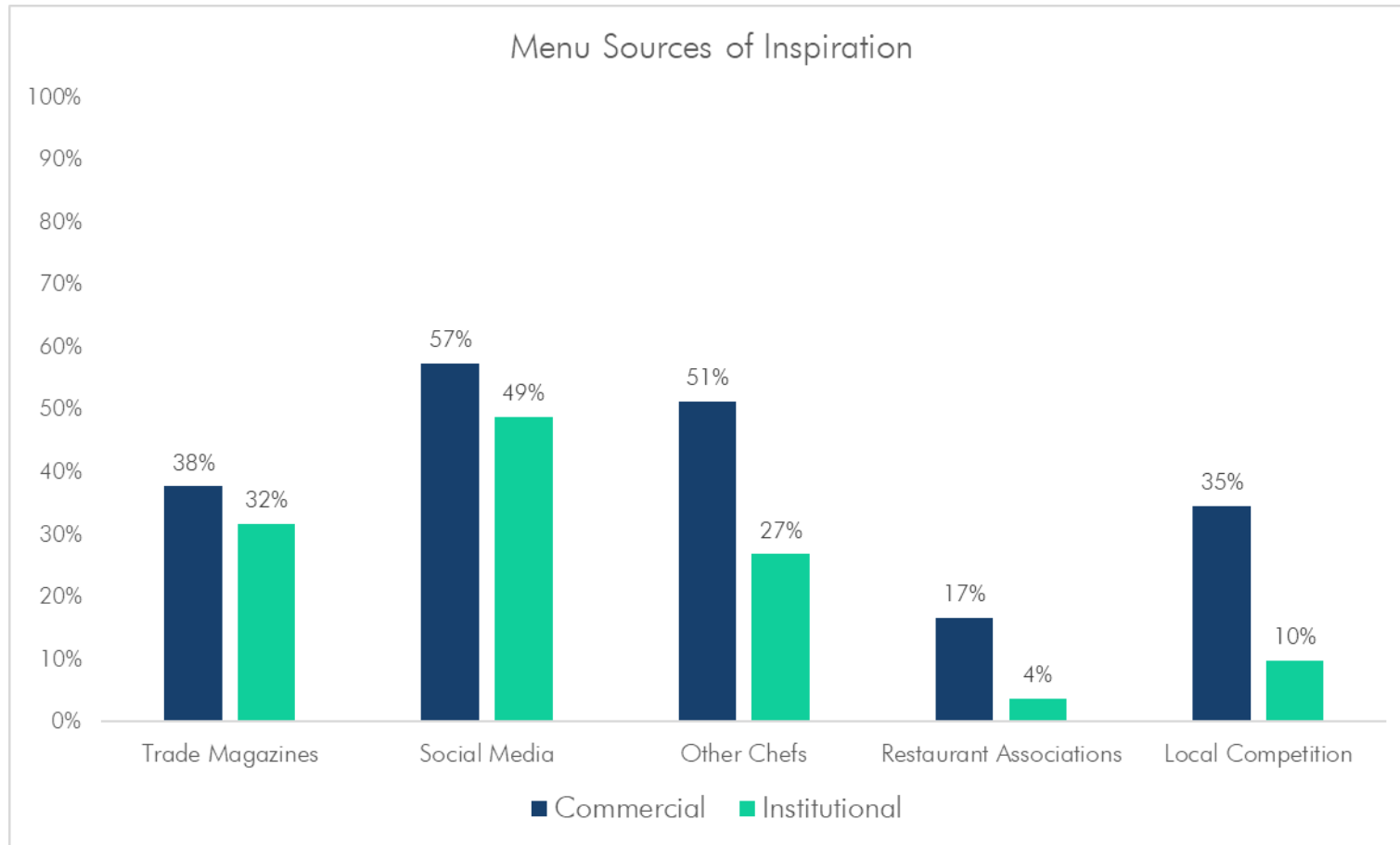


3

THE FOODSERVICE MENU

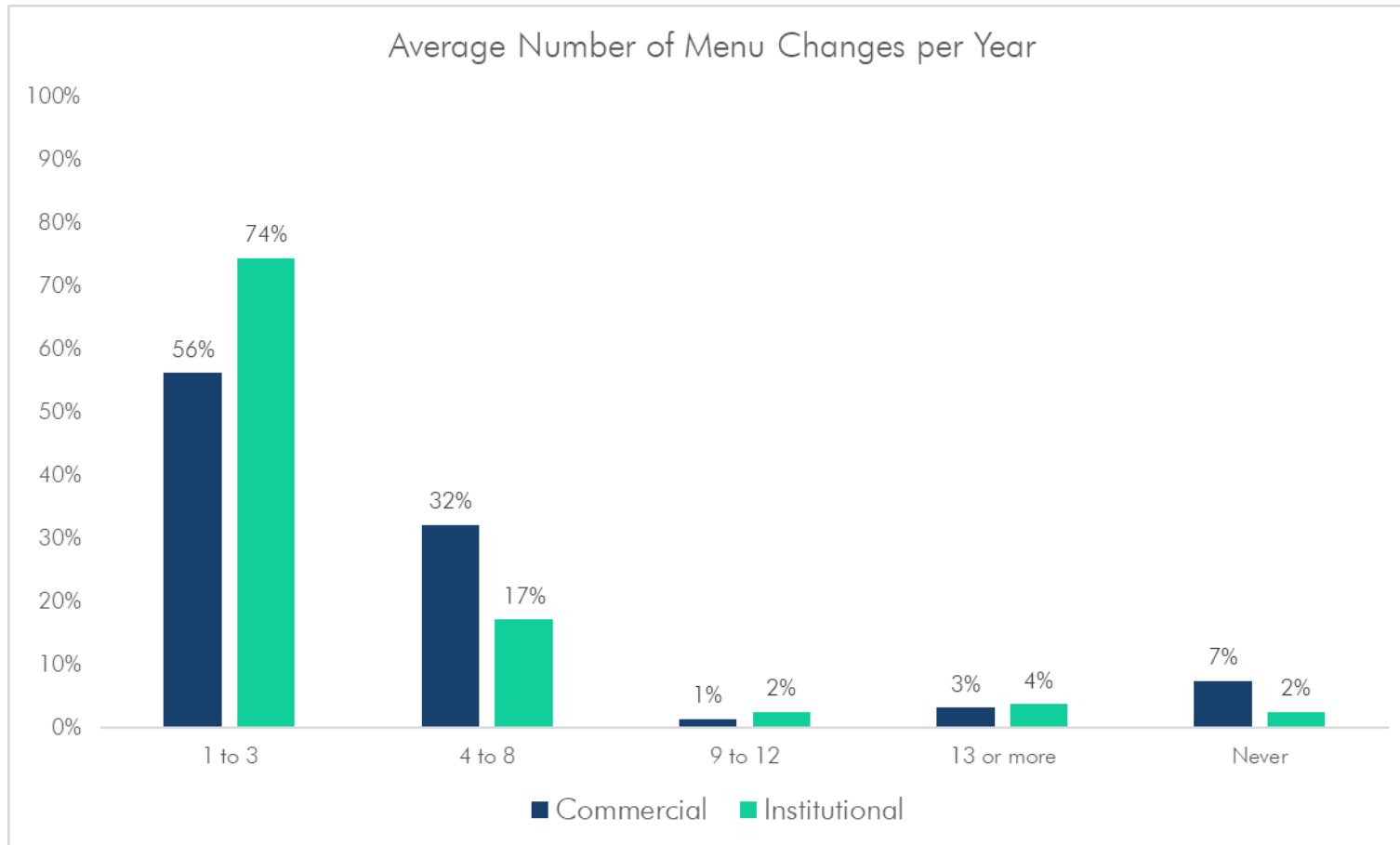


MENU SOURCES OF INSPIRATION



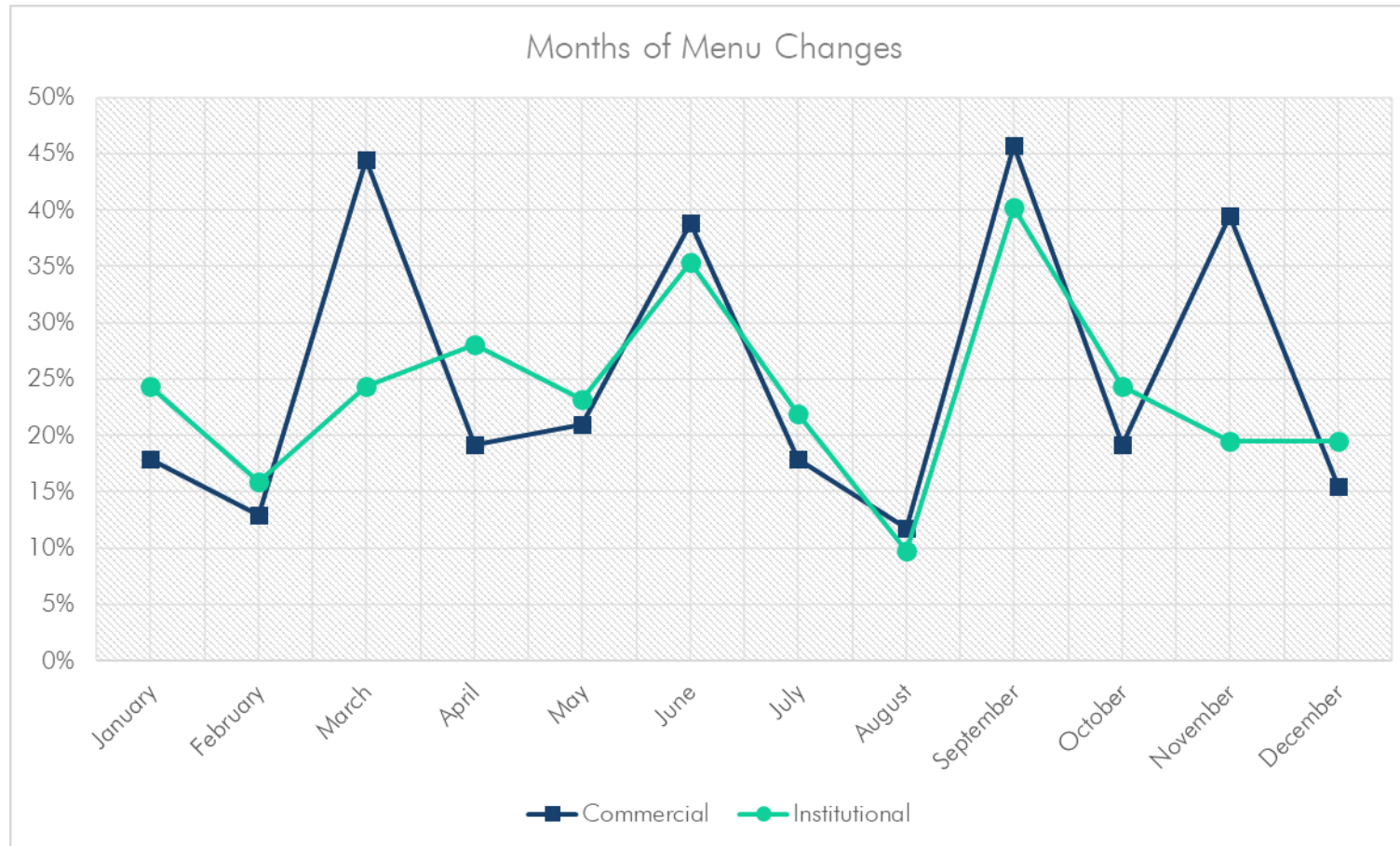
- ❖ The largest source of inspiration both in the Commercial & Institutional sectors is Social Media.
- ❖ Within the Commercial sector 'Other Chef's' plays an important role in inspiring menus.
- ❖ In few other markets do word-of-mouth and personal relationships so strongly influence product choice as in the Commercial foodservice market. This entails all communication between suppliers and chefs/cooks as well as among chefs themselves.

AVERAGE NUMBER OF MEAL CHANGES



❖ Not surprisingly, the average number of menu changes is between one & three followed by four to eight.

MENU CHANGE SEASONALITY



- ❖ The months that menus are changed are quite similar across both the Commercial and Institutional sector; with the exception of March and November, where the institutions make minimal menu changes compared with their commercial counterparts.

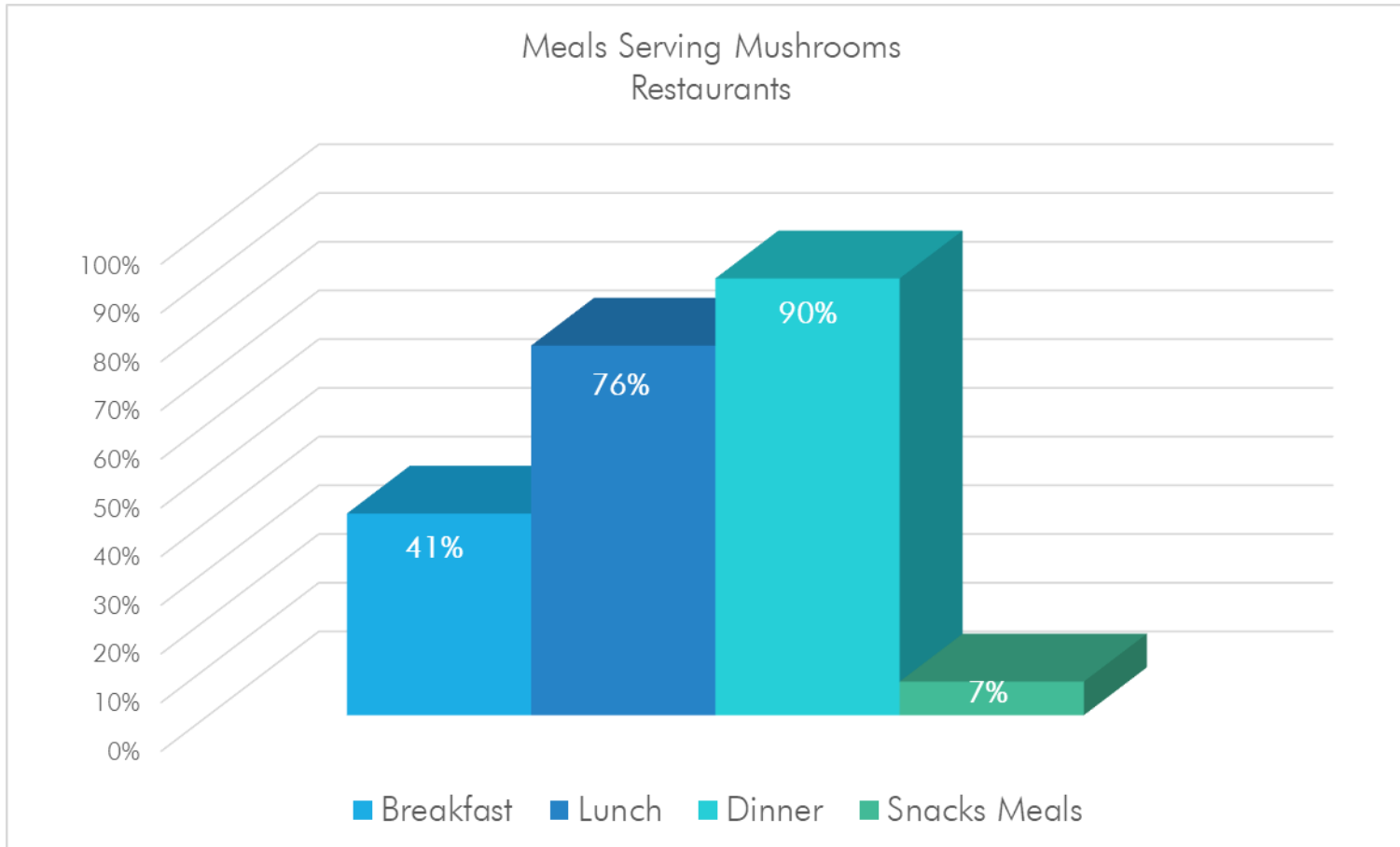


4

MEALS SERVING MUSHROOMS

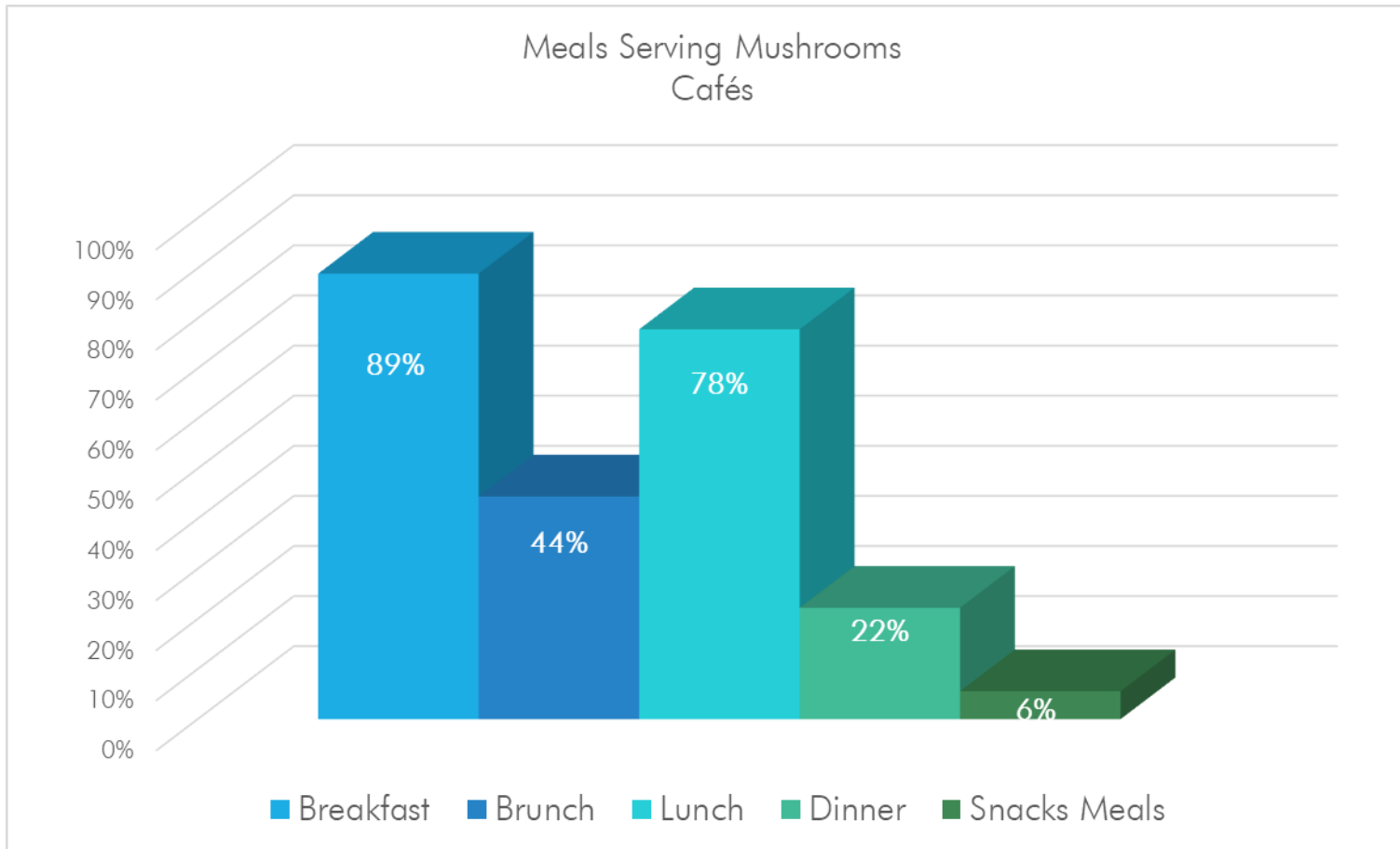


MEALS SERVING MUSHROOMS - RESTAURANTS



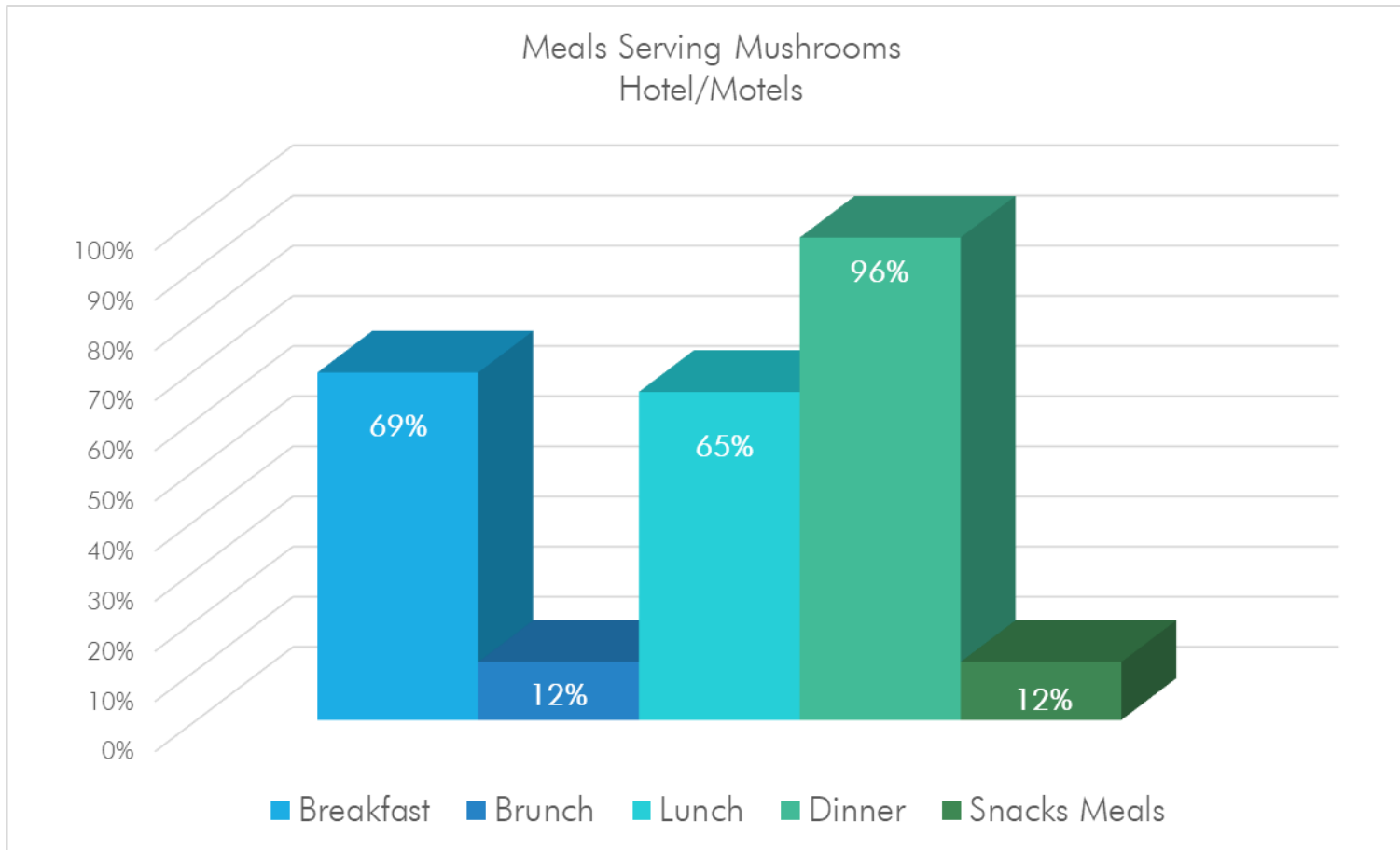
- ❖ Mushrooms are served across four meal segments in Restaurants, however, mainly across the three main meal times – Breakfast, Lunch & Dinner.
- ❖ Nearly all Restaurants (90%) use Mushrooms in their dinner menu offerings.

MEALS SERVING MUSHROOMS - CAFÉS



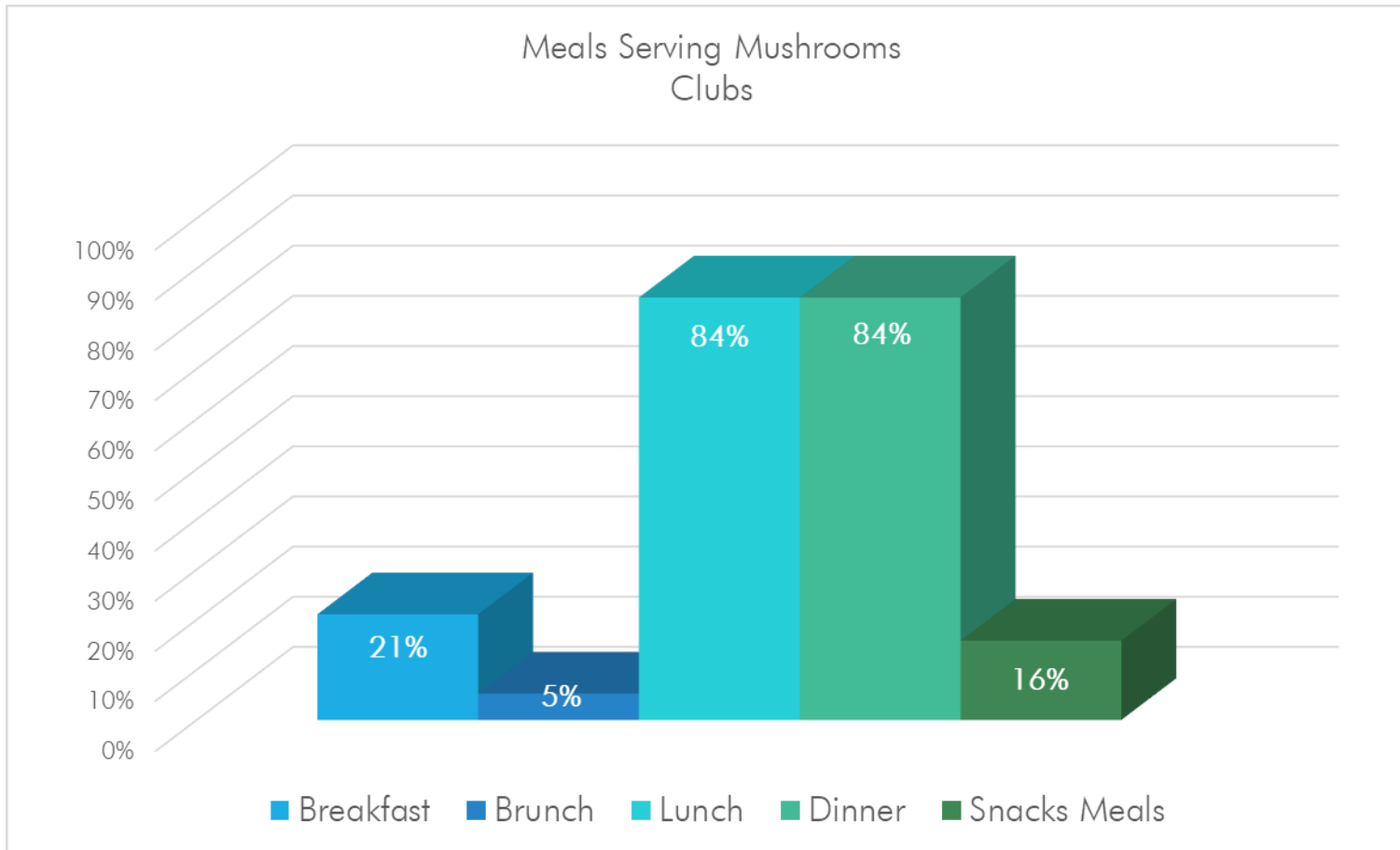
- ❖ Cafés use Mushrooms in all five meal segments, but interestingly, Mushrooms are most commonly used on the Breakfast and Lunch Menus.
- ❖ Given the growth of Breakfast over the last few years, it is not surprising that 89% of all Cafés offer Mushrooms at this meal time.

MEALS SERVING MUSHROOMS – HOTEL/MOTELS



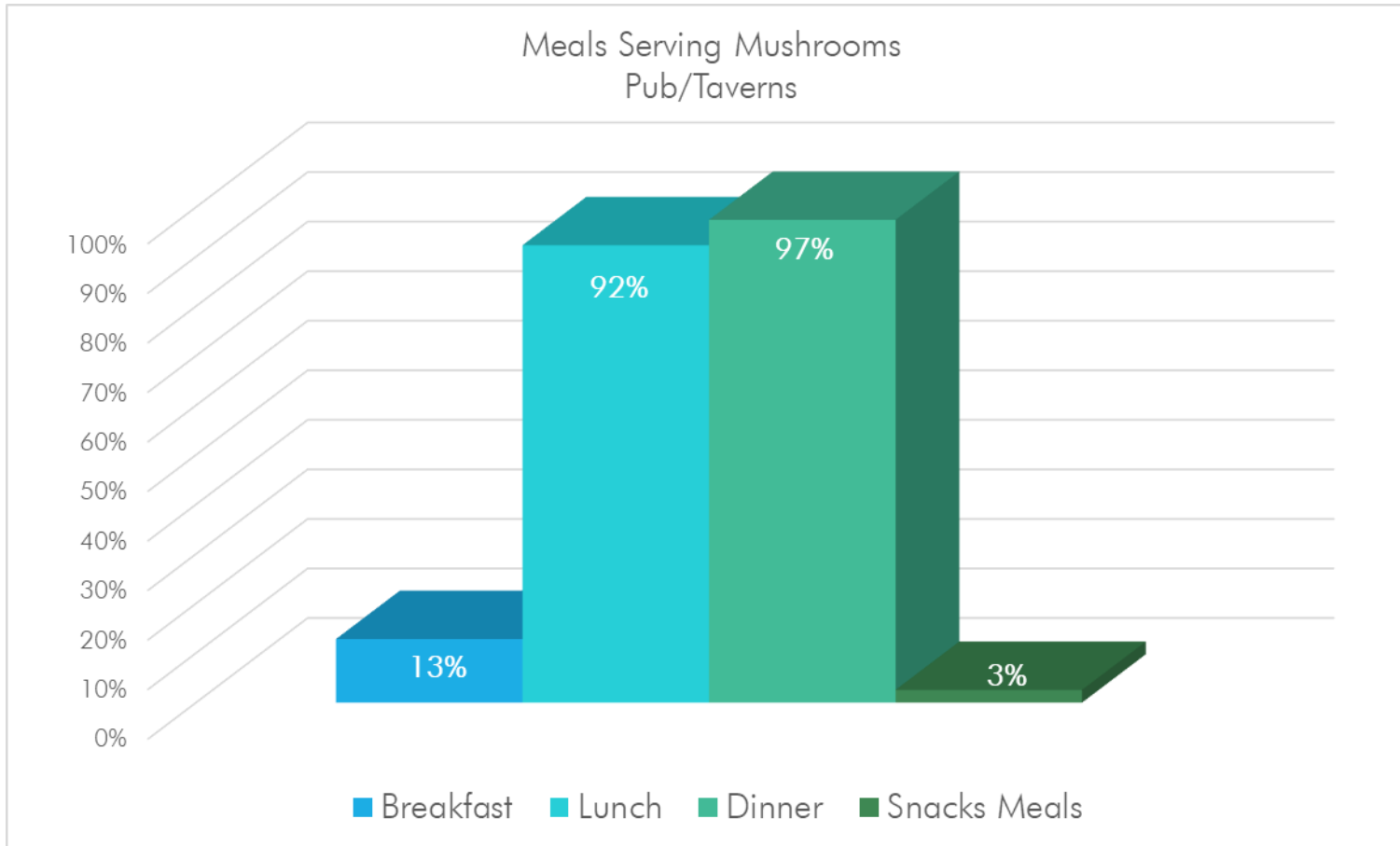
❖ Mushrooms are used in Hotel/Motels across all five meal segments with Dinner being the highest, with 96% of all outlets offering them on their menus.

MEALS SERVING MUSHROOMS - CLUBS

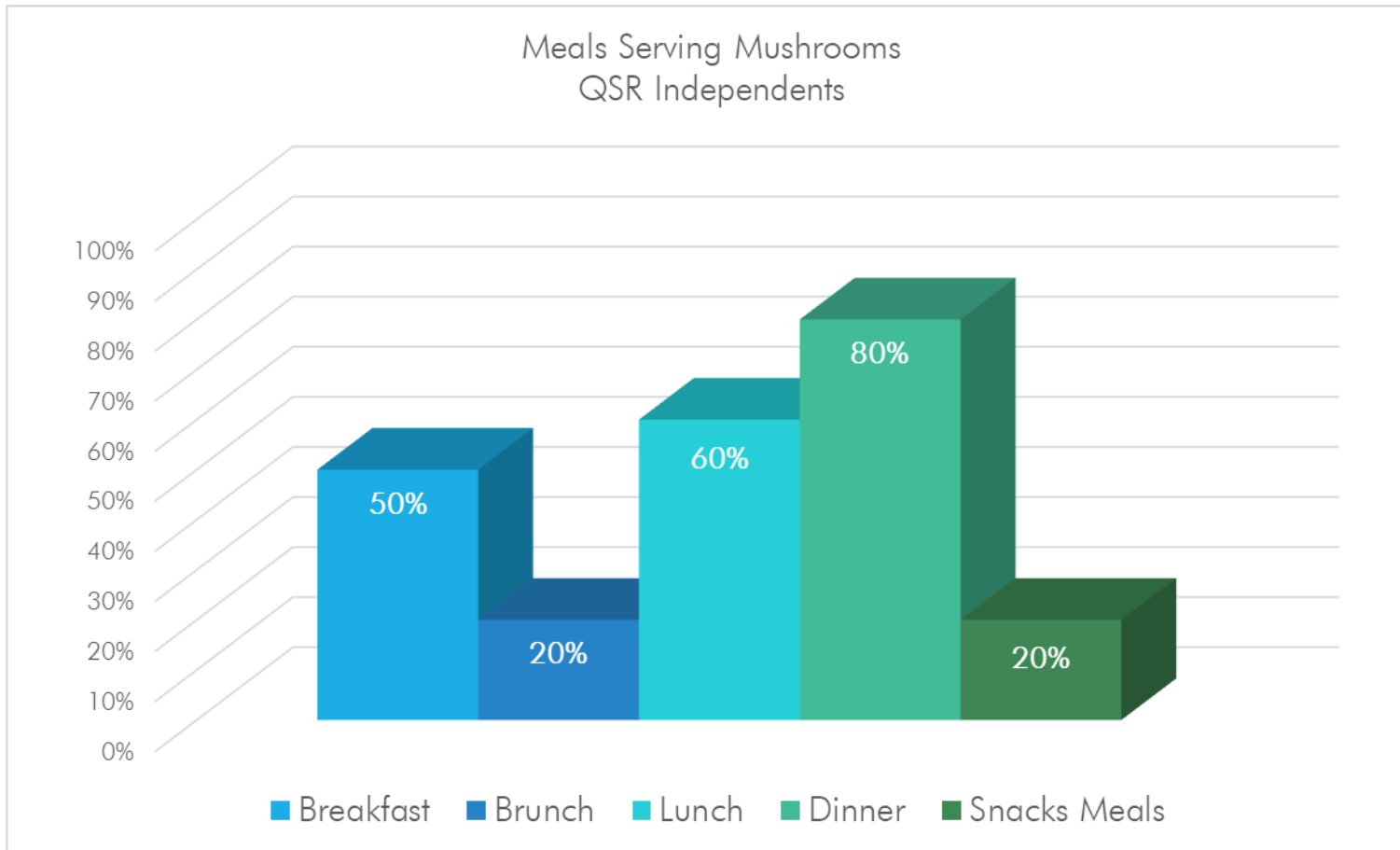


❖ When it comes to Mushrooms being offered, 84% of all Clubs use them in their Lunch and Dinner menus.

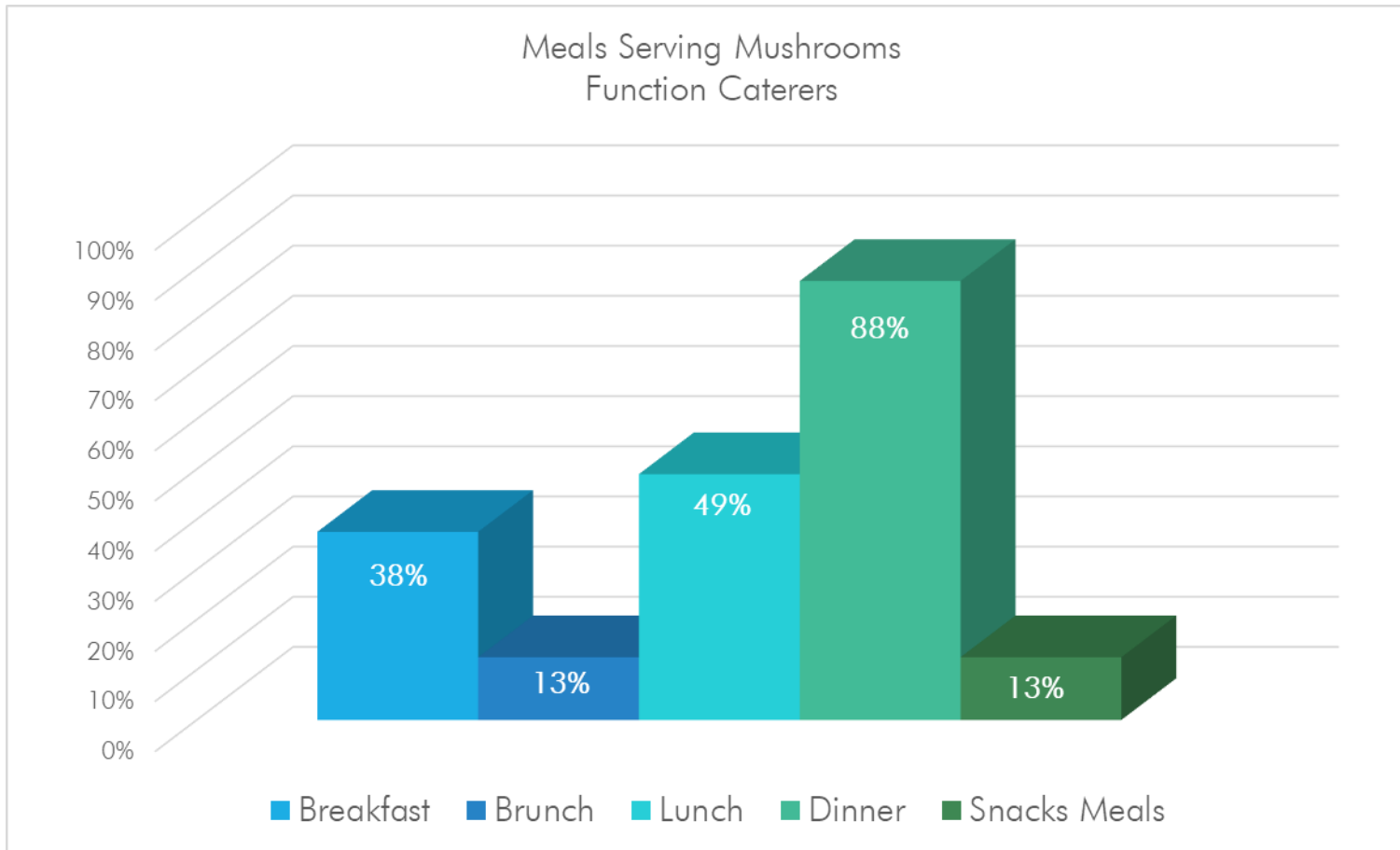
MEALS SERVING MUSHROOMS – PUB/TAVERNS



❖ Pub/Taverns menus typically don't vary too much between lunch and dinner, so it is not surprising there is little difference between the use of Mushrooms between these two meal segments.

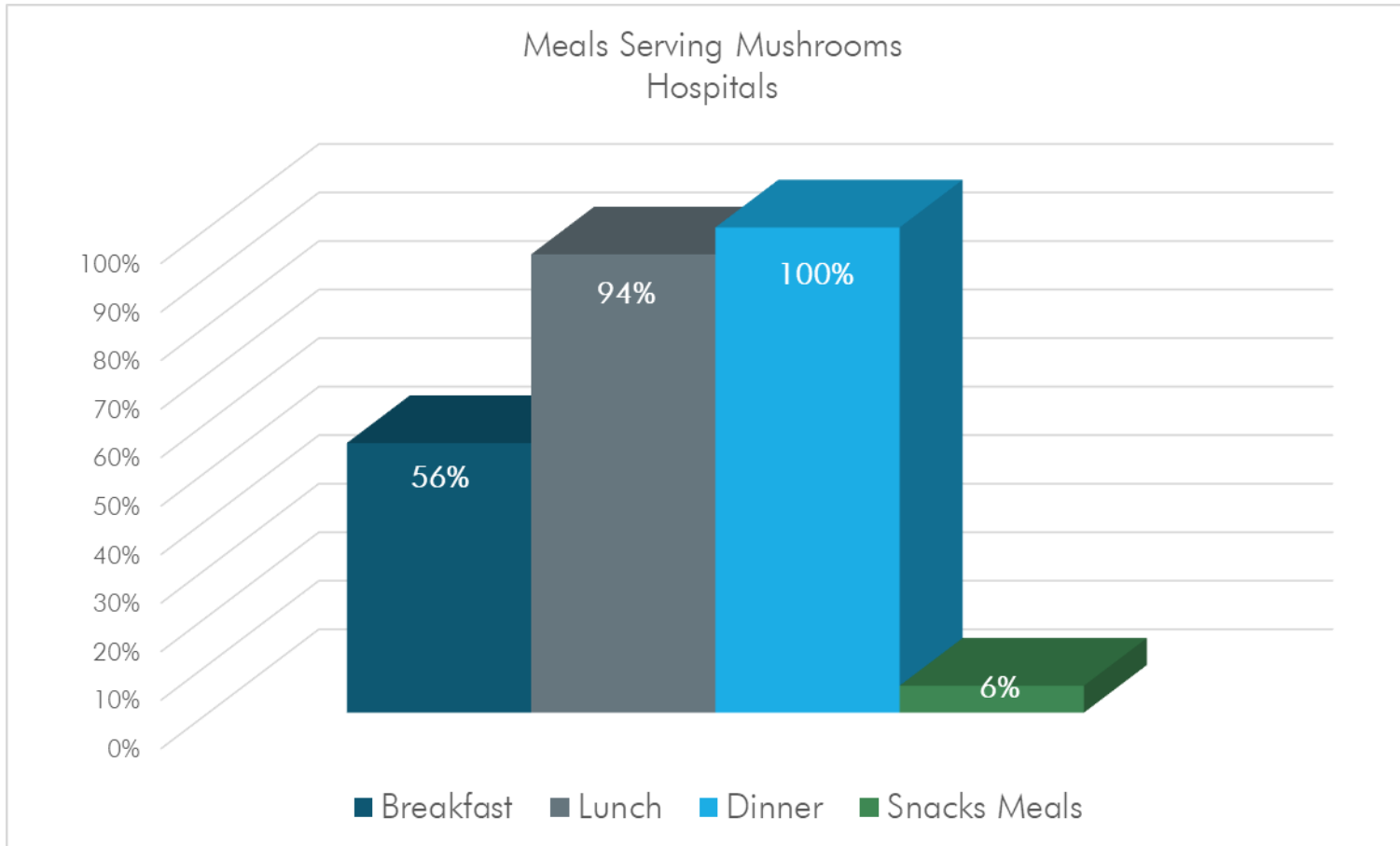


❖ Interestingly, 80% of all QSR Independents use Mushrooms in their dinner offerings, however, this would be a low incidence product.



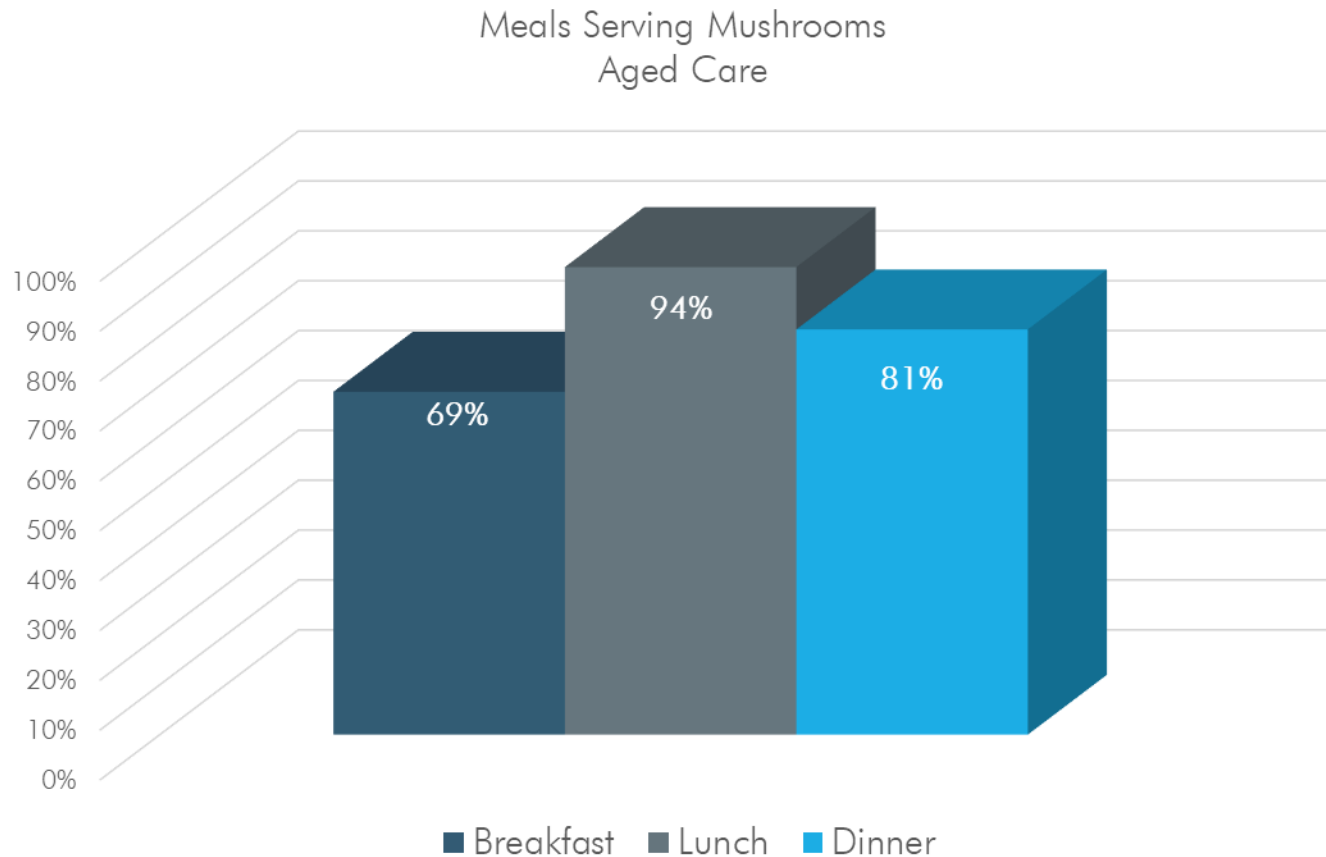
- ❖ Function Caterers serve Mushrooms in all five meal segments.
- ❖ The only meal that at least half of all Function Caterers serve Mushrooms in, is Dinner at 88%.

MEALS SERVING MUSHROOMS - HOSPITALS



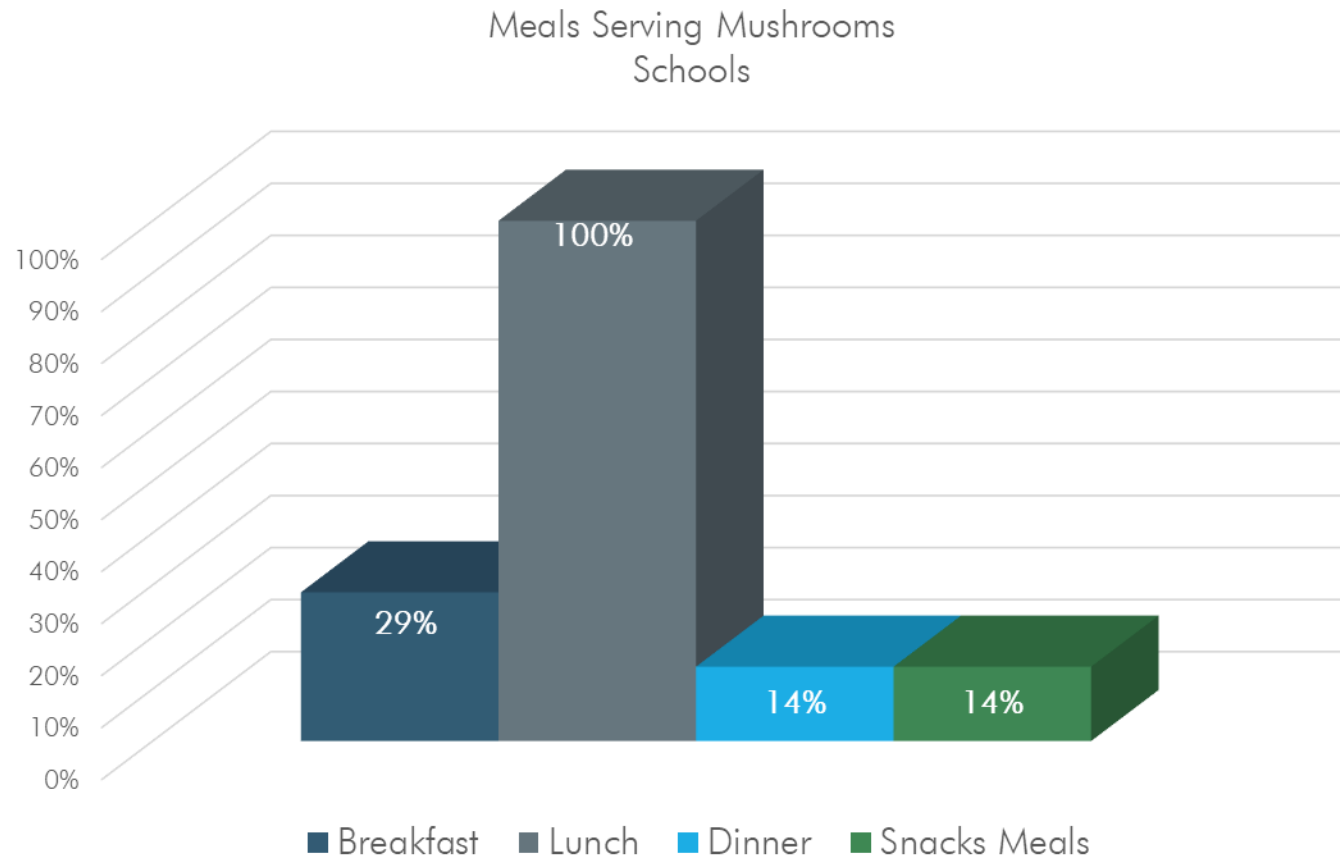
❖ Given the nutritional value of Mushrooms, it is not surprising that all Hospitals offer them in their Dinner menu and 94% also do in the Lunch segment.

MEALS SERVING MUSHROOMS – AGED CARE

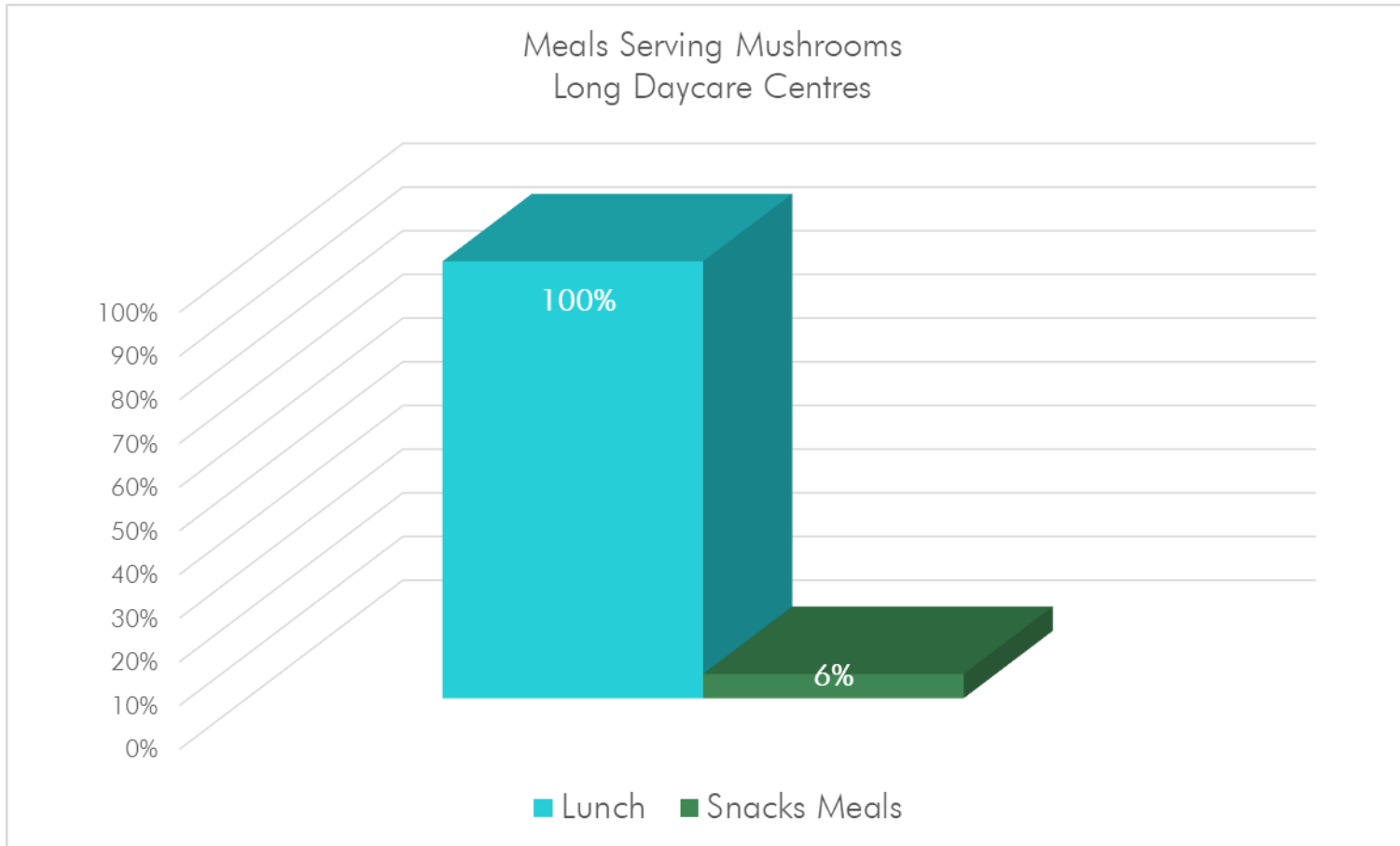


- ❖ The use of Mushrooms in the Aged Care sector is high across the three meal segments, with Lunch being the highest at 94%.

MEALS SERVING MUSHROOMS - SCHOOLS



❖ Interestingly, all Schools use Mushrooms in their Lunch menu.



- ❖ All Long Daycare Centres offer Mushrooms in some of their Lunch menus.

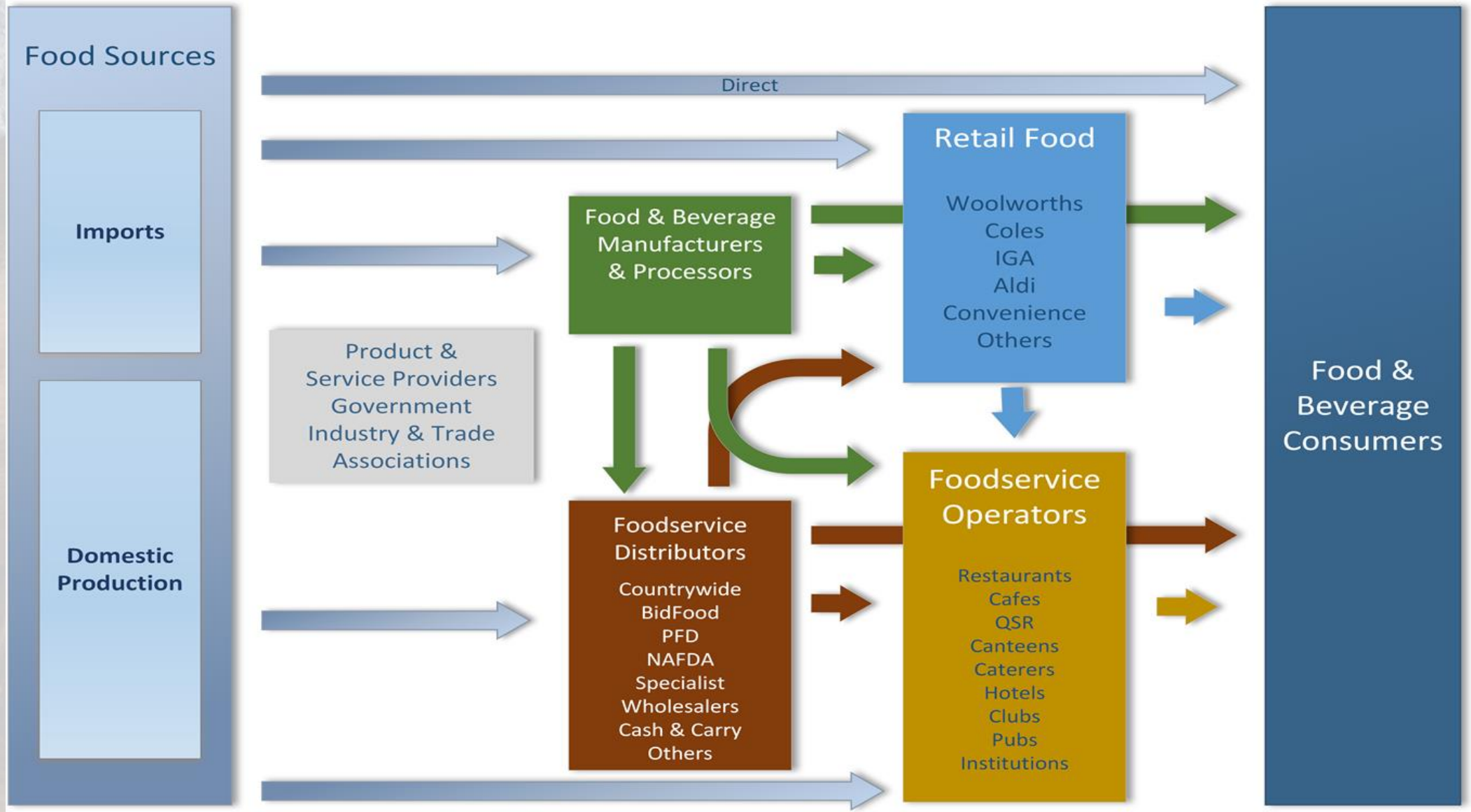


5

SOURCE OF SUPPLY - MUSHROOMS



TOTAL FOOD DISTRIBUTION





DISTRIBUTION CHANNELS

1. General
Distributors

2. Specialist
Distributors/
Wholesalers

3. Cash & Carry

4. Supermarkets

5. Other
Retailers

6. Direct from
Manufacturer

SUMMARY - PRIMARY SOURCE OF SUPPLY

PRIMARY SOURCE OF SUPPLY	TOTAL MARKET	COMMERCIAL	INSTITUTIONAL
Specialist Distributor/Wholesaler	53%	54%	39%
Supermarket	14%	10%	22%
General Distributor	12%	12%	14%
Direct from Producer/Grower	9%	10%	7%
Central Markets	8%	9%	7%
Other Retail	4%	5%	12%
Cash & Carry	0%	0%	0%

- ❖ Primary source of supply for Mushrooms in the Australian Foodservice market are the Specialist Distributor/Wholesalers with more than 50% market share.
- ❖ This is the case in both the Commercial as well as the Institutional foodservice sector.
- ❖ Overall, both Supermarkets (14%) and General Distributors (12%) are distant second and third choices.

SUMMARY - SECONDARY SOURCE OF SUPPLY

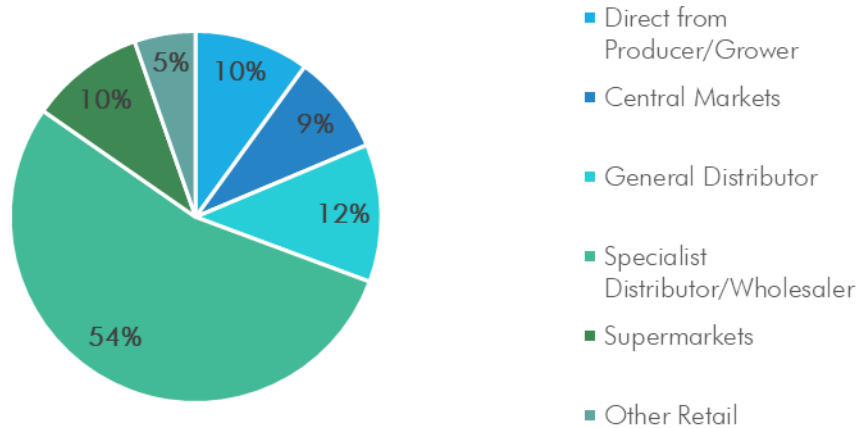
SECONDARY SOURCE OF SUPPLY	TOTAL MARKET	COMMERCIAL	INSTITUTIONAL
Supermarkets	39%	35%	49%
No Secondary Source of Supply	32%	40%	12%
Specialist Distributor/Wholesaler	8%	9%	7%
General Distributor	8%	5%	15%
Direct from Producer/Grower	4%	5%	3%
Central Markets	4%	5%	3%
Other Retail	4%	1%	10%
Cash & Carry	0%	1%	0%

- ❖ Supermarkets are the most common secondary source of supply for mushrooms across both foodservice sectors (39%), albeit a higher percentage of Institutional respondents use Supermarkets as their secondary choice (49%).
- ❖ Very interestingly, 40% of all Commercial operators do not have a secondary source of supply for Mushrooms. This compares to only 12% among Institutional operators.

SOURCE OF SUPPLY – MUSHROOMS COMMERCIAL



Primary Source of Supply - Mushrooms
Commercial



Secondary Source of Supply	Mushrooms
Direct from Producer/Grower	5%
Central Markets	5%
General Distributor	5%
Specialist Distributor/Wholesaler	9%
Cash & Carry	1%
Supermarkets	35%
Other Retail	1%
No Secondary Source of Supply	40%

- Specialist Distributor/Wholesalers have over half the share of primary distribution of Mushrooms in the Commercial sector.

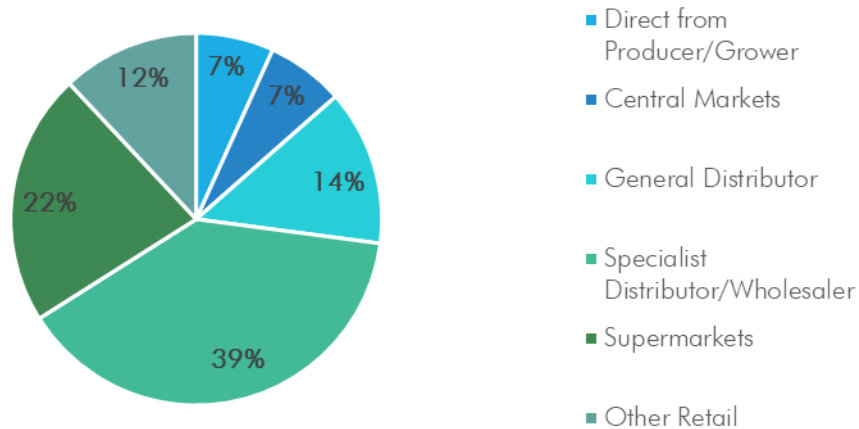
- All seven distribution channels are used as a secondary source of supply; however, this is dominated by Supermarkets at 35% and interestingly, 40% have no secondary source of supply for Mushrooms.

SOURCE OF SUPPLY – MUSHROOMS

INSTITUTIONAL



Primary Source of Supply - Mushrooms
Institutional



- The two main primary sources of supply for Mushrooms in the Institutional Sector are Specialist Distributor/Wholesalers (39%) and Supermarkets (22%).

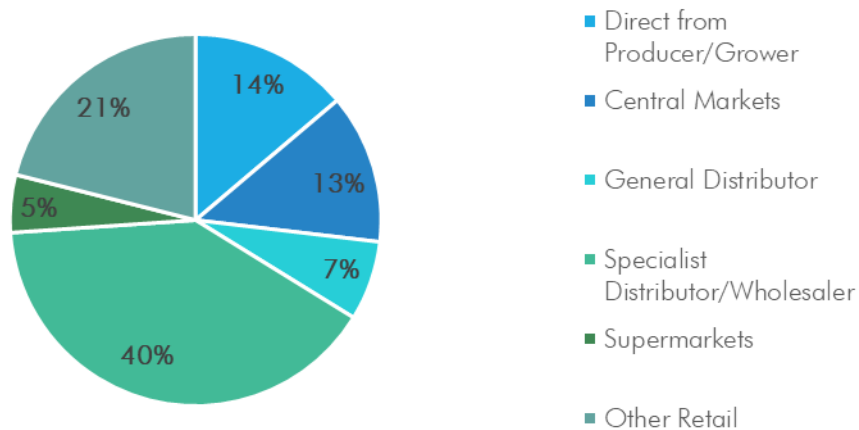
Secondary Source of Supply	Mushrooms
Direct from Producer/Grower	3%
Central Markets	3%
General Distributor	15%
Specialist Distributor/Wholesaler	7%
Cash & Carry	-
Supermarkets	49%
Other Retail	10%
No Secondary Source of Supply	12%

- Supermarkets have nearly half of all secondary source of supply of Mushrooms among the institutions at 49%.

SOURCE OF SUPPLY – MUSHROOMS RESTAURANTS



Primary Source of Supply - Mushrooms Restaurants



Secondary Source of Supply	Mushrooms
Direct from Producer/Grower	7%
Central Markets	-
General Distributor	-
Specialist Distributor/Wholesaler	7%
Cash & Carry	-
Supermarkets	34%
Other Retail	-
No Secondary Source of Supply	52%

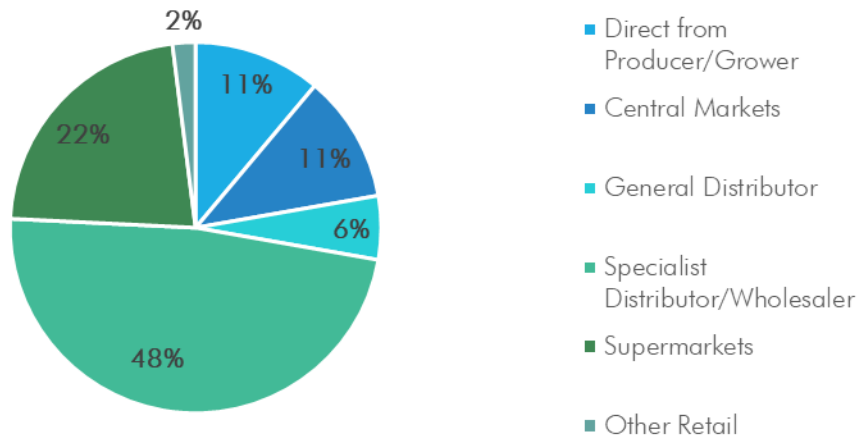
- Although Specialist Distributor/Wholesalers have the greatest share of primary distribution for Mushrooms in Restaurants, interestingly, Other Retail has the next highest share at 21%.

- Only three distribution channels are used as a secondary source of supply for Mushrooms, the greatest being Supermarkets at 34%. More than half of all Restaurants have no secondary source of supply.

SOURCE OF SUPPLY – MUSHROOMS CAFÉS



Primary Source of Supply - Mushrooms Cafés



- When it comes to the primary source of supply for Mushrooms in Cafés, Specialist Distributor/Wholesalers hold nearly 50% market share.

Secondary Source of Supply	Mushrooms
Direct from Producer/Grower	6%
Central Markets	11%
General Distributor	6%
Specialist Distributor/Wholesaler	17%
Cash & Carry	-
Supermarkets	39%
Other Retail	-
No Secondary Source of Supply	22%

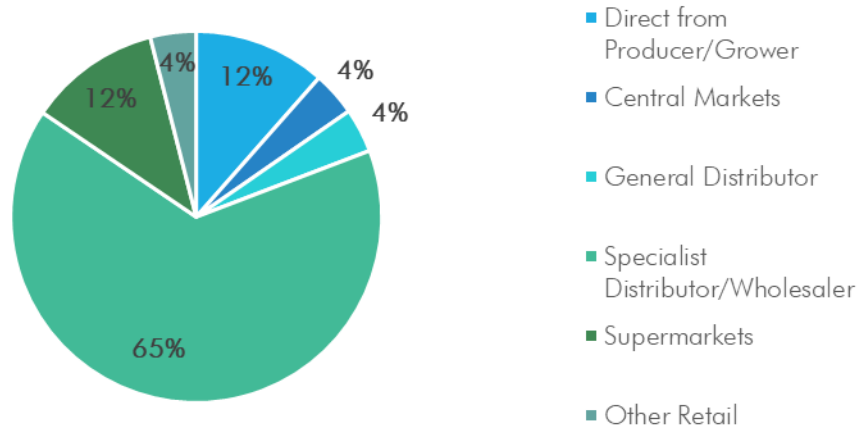
- Out of the five distribution channels that are used as a secondary source of supply, Supermarkets dominate at 39%.

SOURCE OF SUPPLY – MUSHROOMS

HOTEL/MOTELS



Primary Source of Supply - Mushrooms
Hotel/Motels



Secondary Source of Supply	Mushrooms
Direct from Producer/Grower	-
Central Markets	12%
General Distributor	8%
Specialist Distributor/Wholesaler	8%
Cash & Carry	-
Supermarkets	46%
Other Retail	-
No Secondary Source of Supply	27%

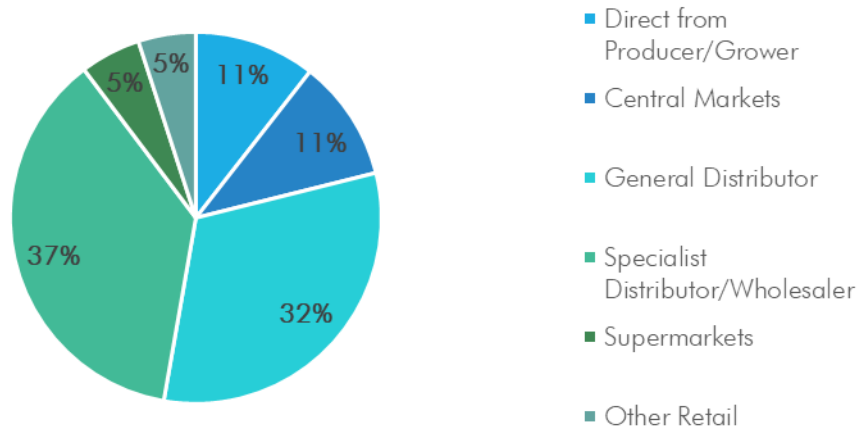
- Specialist Distributor/Wholesalers heavily dominate the primary source of supply of Mushrooms for Hotel/Motels at 65%.

- Similar to all other Commercial channels, Supermarkets dominate the secondary source of supply of Mushrooms in this channel.

SOURCE OF SUPPLY – MUSHROOMS CLUBS



Primary Source of Supply - Mushrooms Clubs



- Specialist Distributor/Wholesalers and General Distributors have a similar share of the primary source of supply of Mushrooms for Clubs.

Secondary Source of Supply	Mushrooms
Direct from Producer/Grower	-
Central Markets	-
General Distributor	5%
Specialist Distributor/Wholesaler	-
Cash & Carry	5%
Supermarkets	47%
Other Retail	-
No Secondary Source of Supply	42%

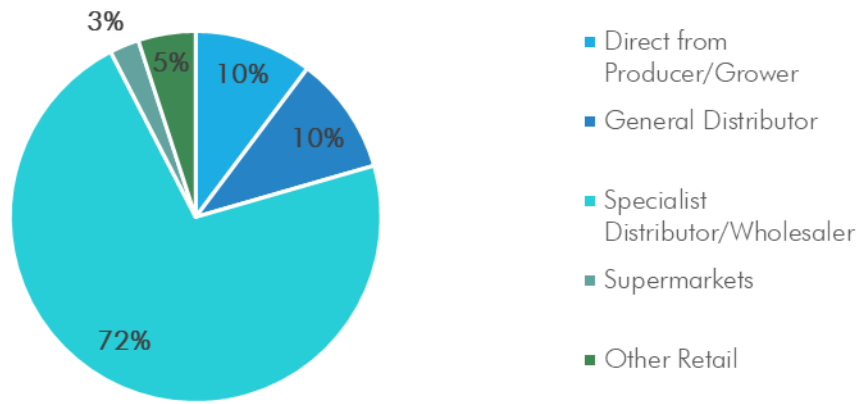
- Once again, the secondary source of supply is lead by Supermarkets at 47%, with nearly as many Clubs having no secondary source of supply for Mushrooms at all.

SOURCE OF SUPPLY – MUSHROOMS

PUB/TAVERNS



Primary Source of Supply - Mushrooms
Pub/Taverns



Secondary Source of Supply	Mushrooms
Direct from Producer/Grower	5%
Central Markets	-
General Distributor	-
Specialist Distributor/Wholesaler	10%
Cash & Carry	-
Supermarkets	21%
Other Retail	-
No Secondary Source of Supply	64%

- Similar to Hotel/Motels, Specialist Distributor/Wholesalers are the dominant suppliers of Mushrooms to Pub/Taverns.

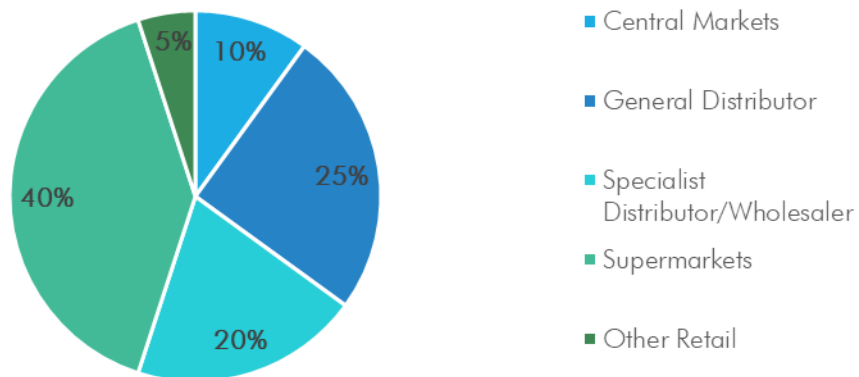
- Only three distribution channels are used as a secondary source of supply of Mushrooms across Pub/Taverns, with nearly two thirds having no secondary source of supply.

SOURCE OF SUPPLY – MUSHROOMS

QSR INDEPENDENTS



Primary Source of Supply - Mushrooms
QSR Independents



- Five distribution channels are used to primarily source Mushrooms in QSR Independents with the largest share being Supermarkets at 40%.

Secondary Source of Supply	Mushrooms
Direct from Producer/Grower	20%
Central Markets	20%
General Distributor	-
Specialist Distributor/Wholesaler	10%
Cash & Carry	-
Supermarkets	30%
Other Retail	10%
No Secondary Source of Supply	10%

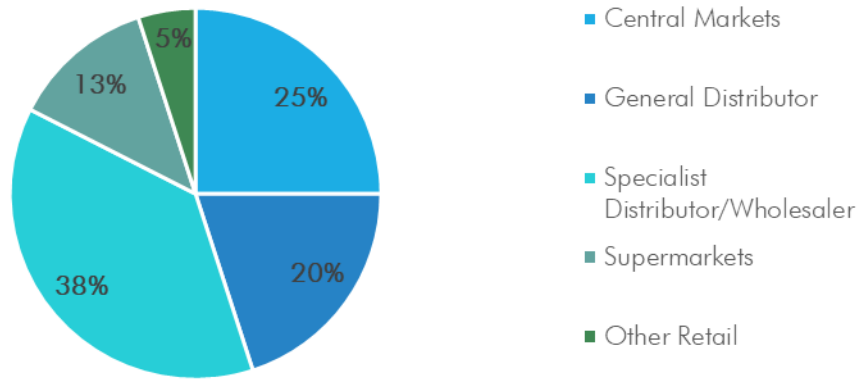
- Although Supermarkets are the largest secondary supplier, they are followed not too far behind by Direct from Producer/Grower and Central Markets.

SOURCE OF SUPPLY – MUSHROOMS

FUNCTION CATERERS



Primary Source of Supply - Mushrooms
Function Caterers



Secondary Source of Supply	Mushrooms
Direct from Producer/Grower	-
Central Markets	-
General Distributor	25%
Specialist Distributor/Wholesaler	13%
Cash & Carry	-
Supermarkets	50%
Other Retail	13%
No Secondary Source of Supply	-

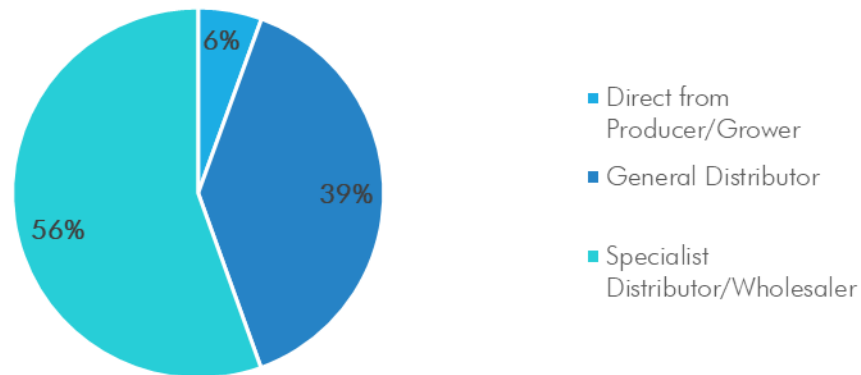
- Function Caterers main primary source of supply is Specialist Distributor/Wholesalers (38%), followed by Central Markets (25%). Not surprisingly, at 25% this is the highest percentage among all operators.

- Again, Supermarkets have half the secondary source of supply, followed by General Distributors.

SOURCE OF SUPPLY – MUSHROOMS HOSPITALS



Primary Source of Supply - Mushrooms
Hospitals



- Specialist Distributor/Wholesalers have over half the share of primary source of supply of Mushrooms in Hospitals.

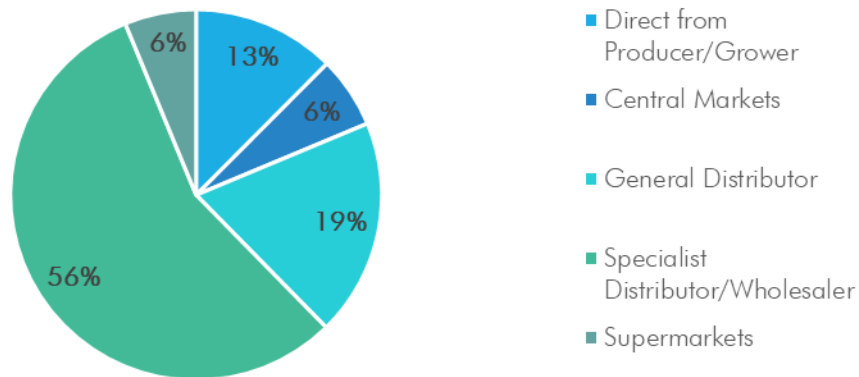
Secondary Source of Supply	Mushrooms
Direct from Producer/Grower	11%
Central Markets	-
General Distributor	11%
Specialist Distributor/Wholesaler	11%
Cash & Carry	-
Supermarkets	61%
Other Retail	6%
No Secondary Source of Supply	-

- Interestingly, Supermarkets have a 61% share of the secondary source of supply of Mushrooms in this channel.

SOURCE OF SUPPLY – MUSHROOMS AGED CARE



Primary Source of Supply - Mushrooms
Aged Care



Secondary Source of Supply	Mushrooms
Direct from Producer/Grower	-
Central Markets	13%
General Distributor	44%
Specialist Distributor/Wholesaler	6%
Cash & Carry	-
Supermarkets	38%
Other Retail	-
No Secondary Source of Supply	-

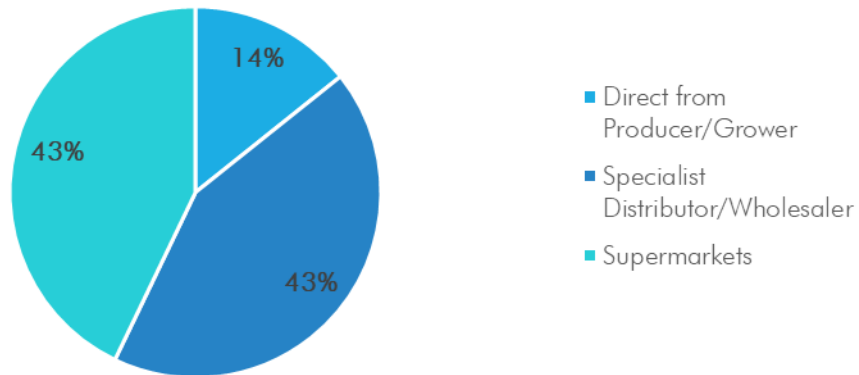
- Specialist Distributor/Wholesalers have over half the market share of primary distribution of Mushrooms across all Aged Care facilities.

- Unlike any other channel, General Distributors are the main secondary source of supply of Mushrooms to Nursing Homes.

SOURCE OF SUPPLY – MUSHROOMS SCHOOLS



Primary Source of Supply - Mushrooms Schools



- Supermarkets and Specialist Distributor/Wholesalers have equal share at 43% when it comes to the primary source of supply of Mushrooms in Schools.

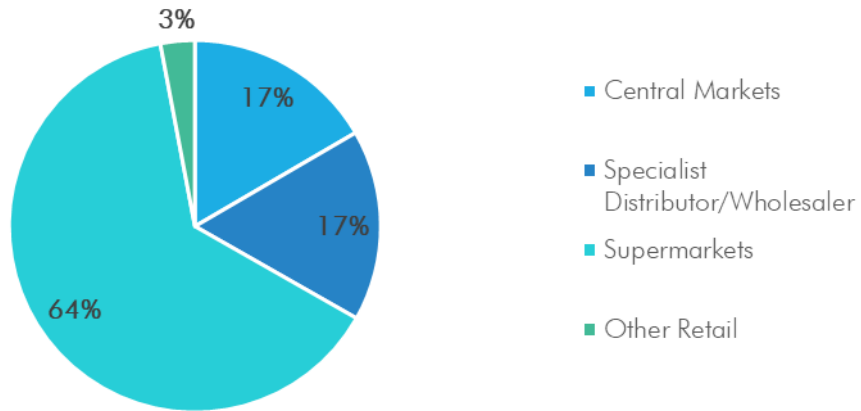
Secondary Source of Supply	Mushrooms
Direct from Producer/Grower	-
Central Markets	-
General Distributor	-
Specialist Distributor/Wholesaler	14%
Cash & Carry	-
Supermarkets	57%
Other Retail	-
No Secondary Source of Supply	29%

- Only two distribution channels are used as a secondary source of supply for Mushrooms in Schools, and over a quarter of all Schools have no secondary source when it comes to Mushrooms.

SOURCE OF SUPPLY – MUSHROOMS LONG DAYCARE CENTRES



Primary Source of Supply - Mushrooms
Long Daycare Centres



- Supermarkets dominate the primary source of supply for Mushrooms in Long Daycare Centres.

Secondary Source of Supply	Mushrooms
Direct from Producer/Grower	-
Central Markets	-
General Distributor	-
Specialist Distributor/Wholesaler	-
Cash & Carry	-
Supermarkets	44%
Other Retail	28%
No Secondary Source of Supply	28%

- Supermarkets and Other Retail are the only two distribution channels used as a secondary source of supply along with 28% having no secondary source for Mushrooms in this channel.



6

EDUCATION & TRAINING





- ❖ Operators were asked if they would like further training and education on how to use mushrooms in their various menu dishes.
- ❖ The following slides show for each channel the percentage of those that would like to receive further education and training, and then a pie chart with the preference of method of delivery of this training.

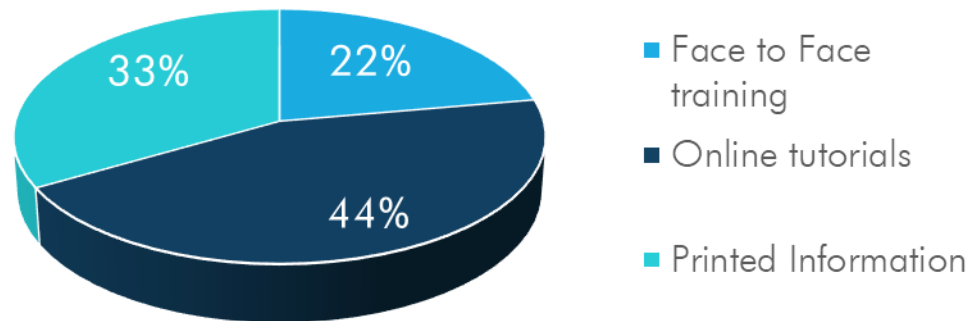


TRAINING	TOTAL MARKET	COMMERCIAL	INSTITUTIONAL
Would like further training	27%	24%	34%
Face to Face	14%	19%	5%
Online Tutorial	38%	36%	40%
Printed Information	48%	44%	55%

- ❖ Across all operators, 27% wish further training and education on how to use Mushrooms in menu dishes.
- ❖ Not surprisingly, the wish for further training and education is highest amongst Institutional operators (34%).
- ❖ Amongst those that want further training & Education, the two most popular delivery methods are Printed Information and Online Tutorial.
- ❖ Importantly, as is evident from the following slides, the training requirements and delivery methods vary from channel to channel.

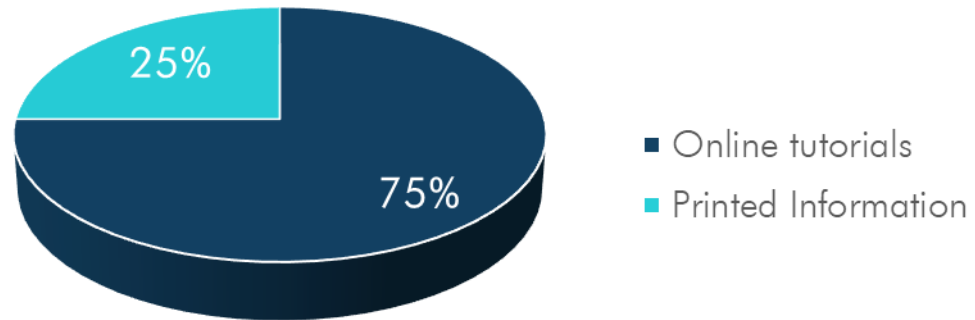
COMMERCIAL CHANNEL	%
Restaurants	31

Preferred Method of Training
Restaurants

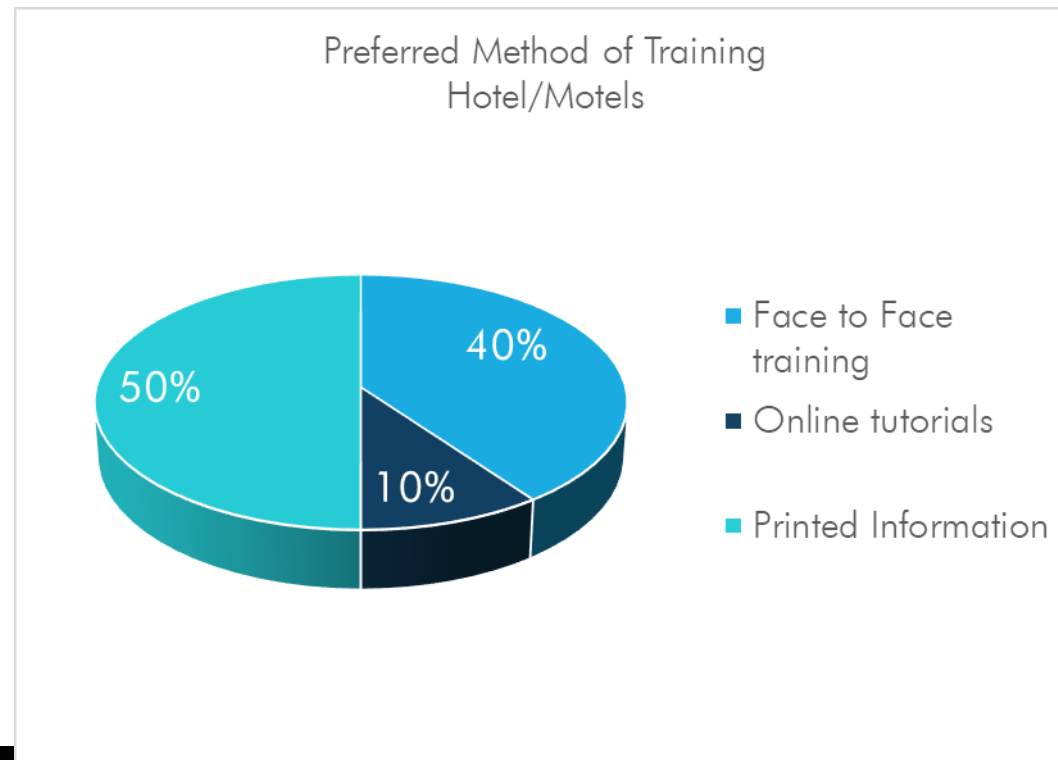


COMMERCIAL CHANNEL	%
Cafés	22

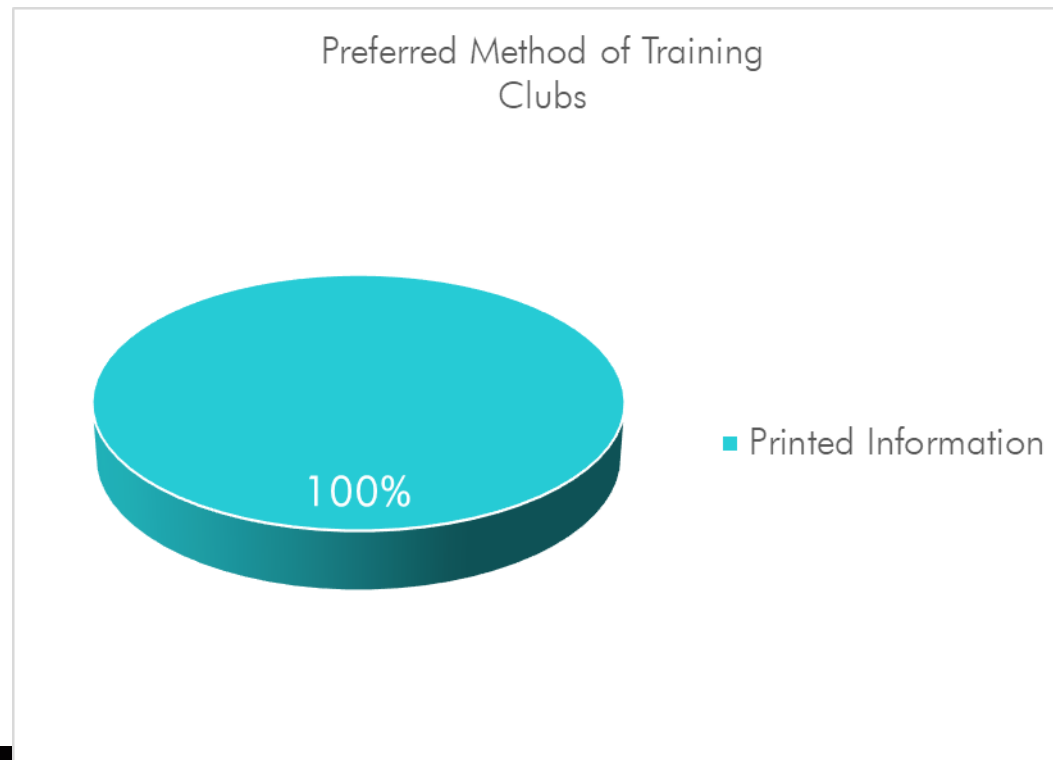
Preferred Method of Training
Cafés



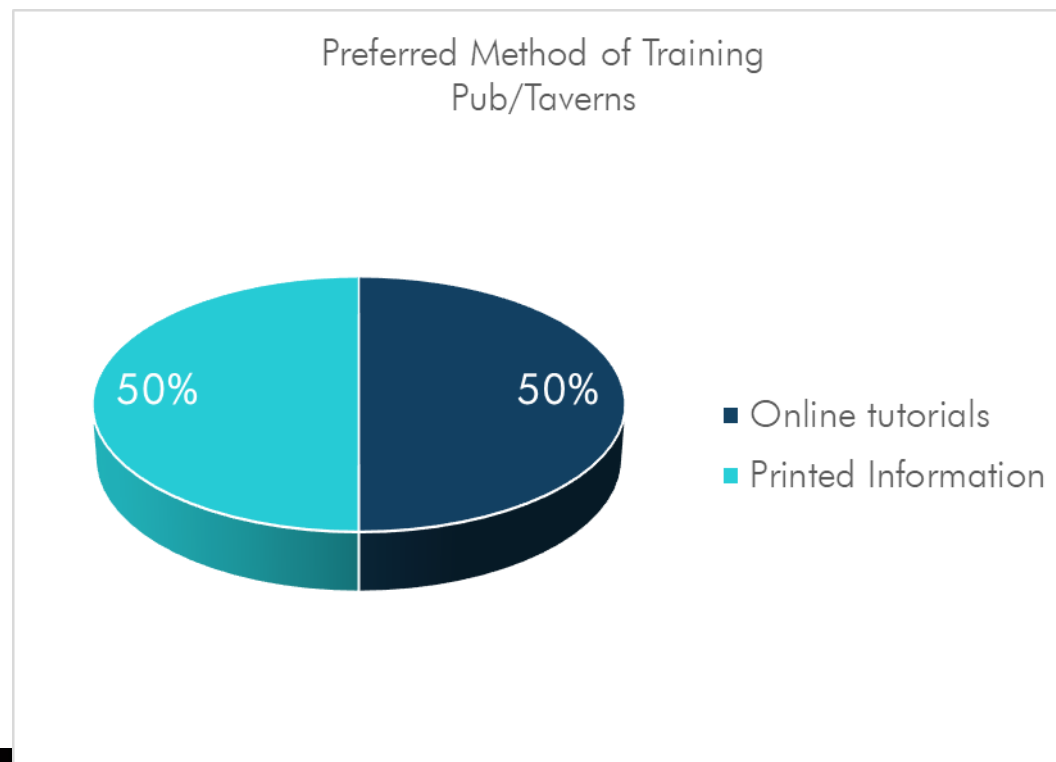
COMMERCIAL CHANNEL	%
Hotel/Motels	38



COMMERCIAL CHANNEL	%
Clubs	11

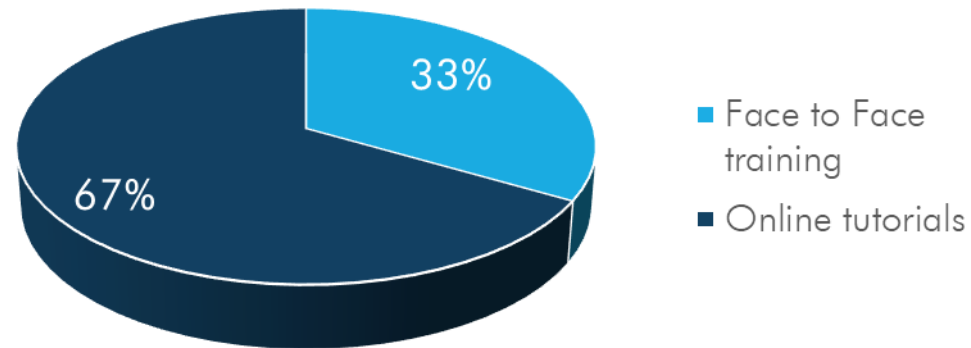


COMMERCIAL CHANNEL	%
Pub/Taverns	10

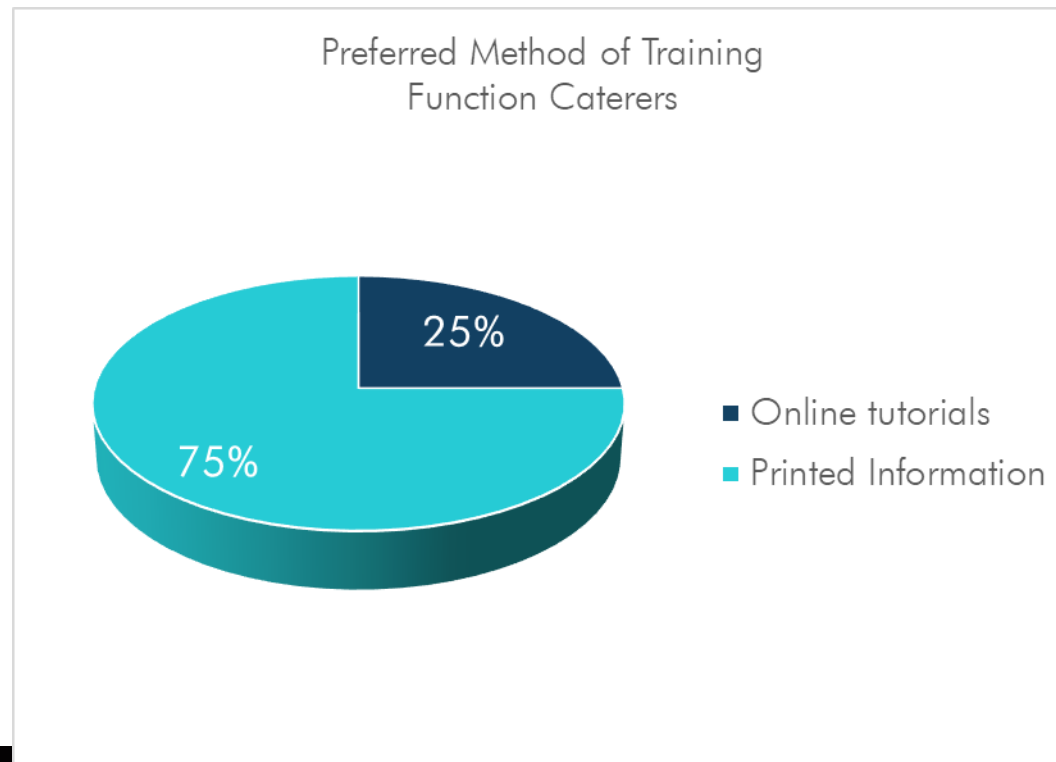


COMMERCIAL CHANNEL	%
QSR Independents	30

Preferred Method of Training
QSR Independents

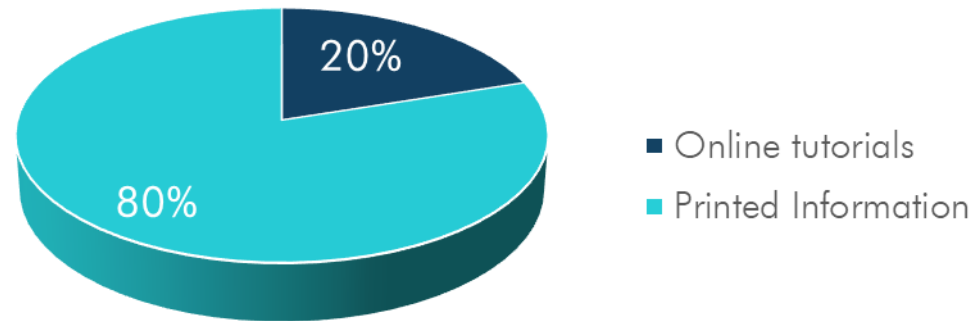


COMMERCIAL CHANNEL	%
Function Caterer	50

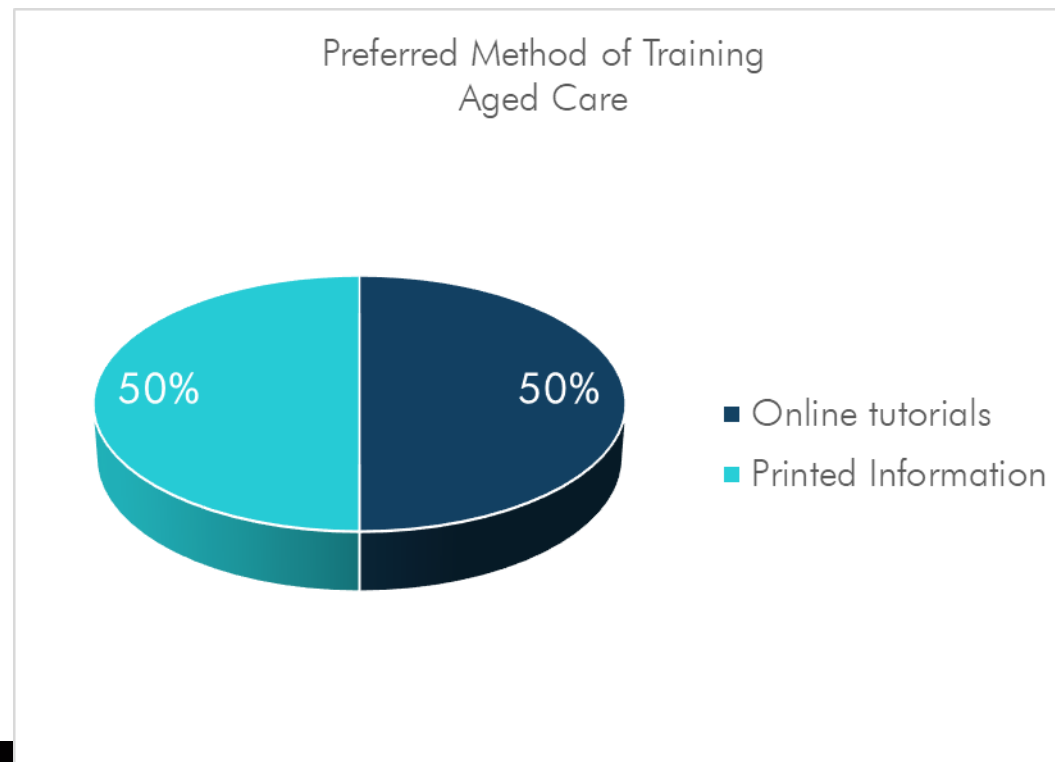


INSTITUTIONAL CHANNEL	%
Hospitals	28

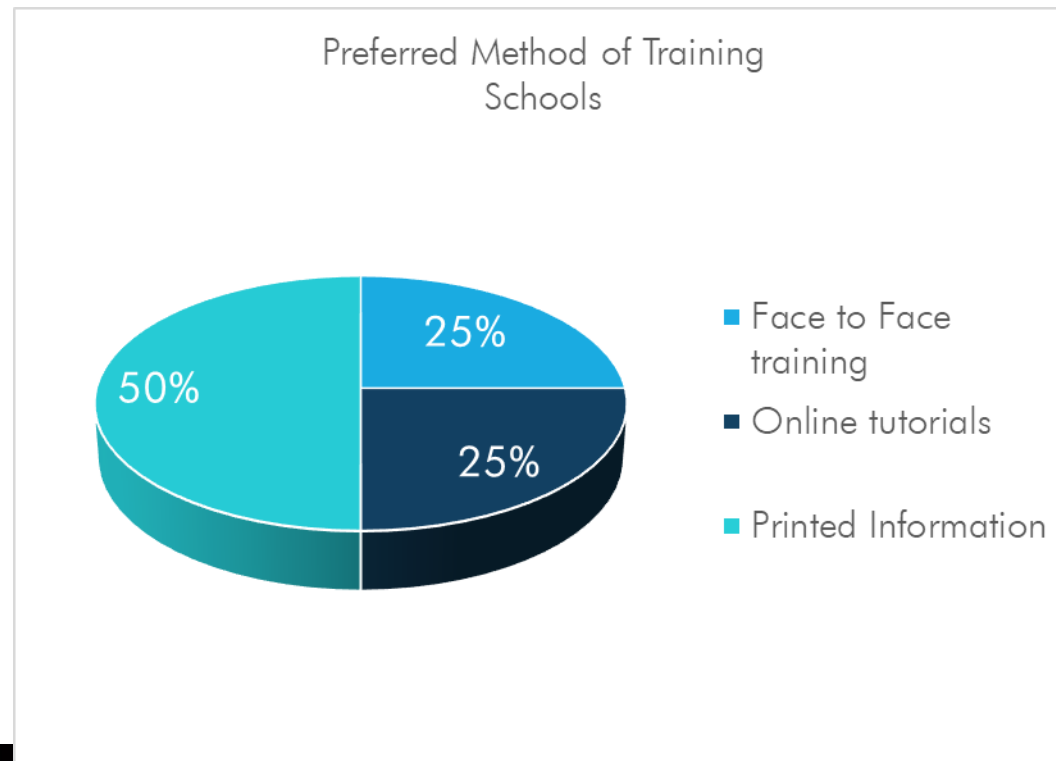
Preferred Method of Training
Hospitals



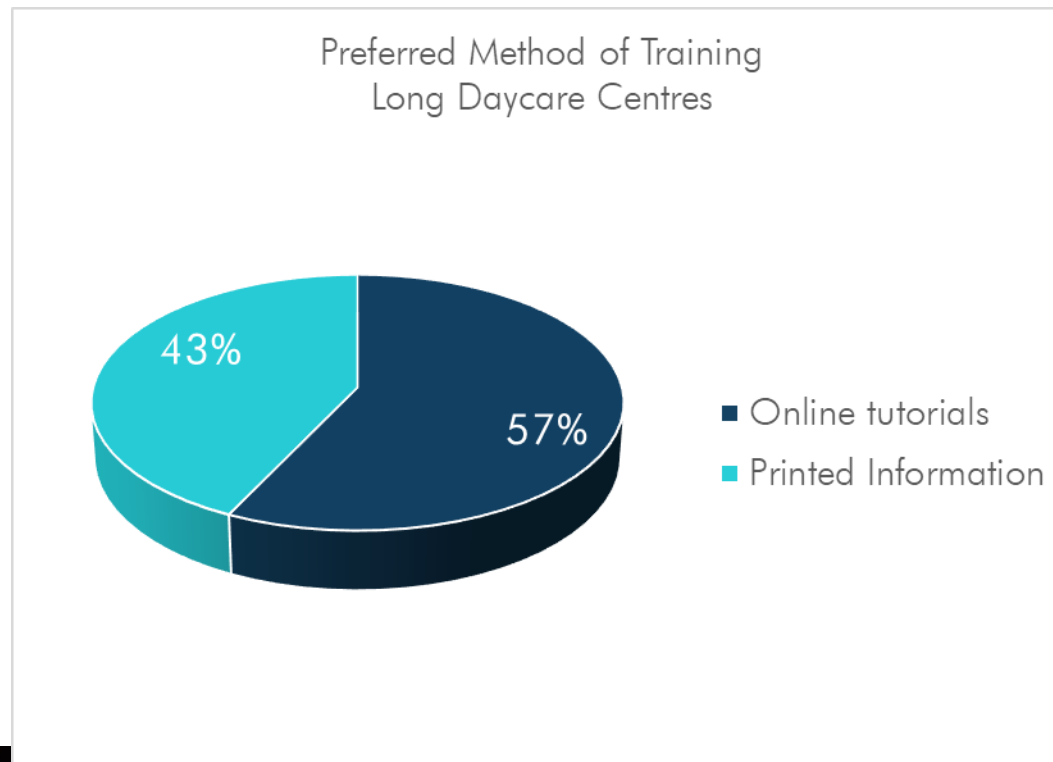
INSTITUTIONAL CHANNEL	%
Aged Care	25



INSTITUTIONAL CHANNEL	%
Schools	57



INSTITUTIONAL CHANNEL	%
Long Daycare Centres	39





7

QUALITY OF AUSTRALIAN MUSHROOMS





COMMERCIAL CHANNEL	RATING
Restaurants	6.4
Cafés	6.1
Hotel/Motels	6.2
Clubs	6.4
Pub/Taverns	6.3
QSR Independents	6.3
Function Caterer	6.1

- All Commercial operators consider the quality of Australian grown Mushrooms to be high with all channels giving ratings above six.

Rating scale of 1 to 7; where 1=very low and 7=very high

INSTITUTIONAL CHANNEL	RATING
Hospitals	6.3
Aged Care	5.9
Schools	6.7
Long Daycare Centres	6.5

- Except for the Aged Care channel which gave an average rating of 5.9, all other institutions rated the quality of Australian grown Mushrooms above six.



The market research investigated foodservice operators' understanding and purchase of first versus second grade Mushrooms.

It also explored to what extent operators consciously choose to buy one or the other.

The research also sought to find out how operators define the difference between first and second grade Mushrooms.

In conclusion: There is a clear distinction between Commercial and Institutional foodservice operators in their knowledge and understanding of first versus second grade mushrooms; with the findings outlined in the following slides.

In general, Institutional kitchens are mainly run by cooks who also do the actual food and beverage procurement; while commercial kitchens are first and foremost operated by chefs who also preside over food and beverage procurement.



FIRST & SECOND GRADE MUSHROOMS INSTITUTIONAL OPERATORS



- ❖ In general terms, there is **no or little knowledge or understanding** of first versus second grade mushrooms among Institutional operators.
- ❖ Therefore, they could not describe the difference between the two or know how to distinguish one from the other.
- ❖ Given the option of trying either one, it would totally come down to price. If first grade Mushrooms were a lot more expensive than second grade, they would not purchase first grade Mushrooms. However, price would not be the only determining factor. If choosing between the two, and the second grade mushrooms looked reasonably good, they would not pay extra for first grade Mushrooms.
- ❖ "...if the first grade ones [Mushrooms] had ridiculously high prices then I will buy second grade ones...no doubt."



FIRST & SECOND GRADE MUSHROOMS COMMERCIAL OPERATORS



- ❖ Commercial foodservice operators have, in general, **good knowledge and understanding** of first versus second grade Mushrooms.
- ❖ They **define** the difference between the two as follows:
 - "...the look, size and price are what separates the two types."
 - "...the look, price and quality is what separates the two grades."
 - "Cost, quality and presentation would be the deciding factors for what grade [we] would use."
 - First grade Mushrooms should be tightly closed, white in colour and a premium price.
 - Second grade Mushrooms are open, slightly discoloured and a cheaper price point.



FIRST & SECOND GRADE MUSHROOMS COMMERCIAL OPERATORS



When chefs buy either first or second grade Mushrooms, it all depends on how they are used in the menu dish.

First Grade Mushrooms are bought if the Mushrooms are the **hero ingredient** of the dish, that is if Mushrooms are centre of plate.

However, it also depends on the establishment. In middle to up-market market Restaurants and Cafés, for example:

“...a chef will always look for a premium product regardless of cost, being a chef and business owner [I am] always mindful in getting the best product for the best price.”

“I mainly buy second grade Mushrooms to use regularly unless there is a need for nicer presentation.”



FIRST & SECOND GRADE MUSHROOMS COMMERCIAL OPERATORS



Second Grade Mushrooms are bought if the Mushrooms are a **staple ingredient** in a dish, that is if Mushrooms are used as a filler but also for depth of flavour. In other words, in dishes that do not need for the Mushrooms to be 'presentable' on the plate.

Hence, second grade Mushrooms are used in:

- i. Sauces
- ii. Purées
- iii. Chopped in stews and casseroles

"...Whether I use first or second grade Mushrooms depends on what the desired final outcome is. [I] would choose second grade Mushrooms in most instances."





8

REASONS FOR NOT INCLUDING MUSHROOMS ON THE MENU



REASONS FOR NOT INCLUDING MUSHROOMS COMMERCIAL

COMMERCIAL CHANNEL	NOT IN SEASON %
Restaurants	14
Cafés	6
Hotel/Motels	27
Clubs	11
Pub/Taverns	13
QSR Independents	10
Function Caterer	13

- ❖ The main reason among Commercial chefs and operators for not including Mushrooms on the menu, is that they are 'not in season' with very similar percentages among all channels.
- ❖ The average percentage of commercial respondents who gave this reason is 13%.

REASONS FOR NOT INCLUDING MUSHROOMS INSTITUTIONAL

INSTITUTIONAL CHANNEL	NOT IN SEASON %
Hospitals	61
Aged Care	31
Schools	43
Long Daycare Centres	17

- ❖ Very few Long Daycare Centres are leaving out Mushrooms on their menus due to seasonality (17% of respondents).
- ❖ Hospitals are the most sensitive to seasonality in Mushrooms with a high 61% not including them on their menus if not in season.



9

REASONS FOR INCLUDING MUSHROOMS ON THE MENU



REASONS FOR INCLUDING MUSHROOMS COMMERCIAL



COMMERCIAL CHANNEL	FLAVOUR %	NUTRITIONAL %	POPULAR %	GOOD VEGETARIAN OPTION %
Restaurants	69	34	76	69
Cafés	72	33	89	67
Hotel/Motels	81	35	58	77
Clubs	74	53	79	84
Pub/Taverns	72	26	49	72
QSR Independents	50	20	60	50
Function Caterer	88	38	75	13

REASONS FOR INCLUDING MUSHROOMS INSTITUTIONAL



INSTITUTIONAL CHANNEL	FLAVOUR %	NUTRITIONAL %	POPULAR %	GOOD VEGETARIAN OPTION %
Hospitals	89	89	50	89
Aged Care	94	50	75	69
Schools	57	71	43	86
Long Daycare Centres	67	78	33	44



10

THE USE OF MUSHROOMS IN A MEAL





COMMERCIAL CHANNEL	STAPLE INGREDIENT %	HERO INGREDIENT %	BOTH %
Restaurants	28	7	65
Cafés	39	17	44
Hotel/Motels	46	8	46
Clubs	32	5	63
Pub/Taverns	61	13	26
QSR Independents	20	30	50
Function Caterer	25	38	37



INSTITUTIONAL CHANNEL	STAPLE INGREDIENT %	HERO INGREDIENT %	BOTH %
Hospitals	11	6	83
Aged Care	38	24	38
Schools	42	29	29
Long Daycare Centres	22	28	50



11

CONCLUSIONS





- Mushrooms are **widely used across all three main meal segments** both by Commercial as well as Institutional foodservice operators
- Mushrooms are a **unique ingredient** with a unique flavour profile – both a **staple** as well as a **hero** ingredient
- There is **no real substitute** for Mushrooms in a dish
- Primary source of supply are the Specialist Distributors/Wholesalers
- Foodservice operators across all channels **rate the quality of Australian Mushrooms highly**
- **Institutional** foodservice operators have, in general, **no or little knowledge and understanding** of first versus second grade mushrooms; while the **Commercial** operators have a clear understanding and can **define the difference between the two**





- Main reasons for including Mushrooms on the menu:
 - i. Flavour
 - ii. Nutritional
 - iii. Good vegetarian option
 - iv. Popular among customers
- Only reason for **not** including Mushrooms on the menu: **Not in season**
- **24% of Commercial** operators and **34% of Institutional** operators want further training and education on how to use Mushrooms in their menu dishes. The two most popular delivery methods: Online Tutorial & Printed Information





- Total annual foodservice volume: **9,200 tonnes of Mushrooms**
- Total annual value: **\$60 million** (across product types included in the research study)
- The **Commercial** operators account for **91% of total purchase**
- The most commonly used Mushroom type is: **White Button – Whole** with **a total volume share of 81%**



TOP COMMERCIAL CHANNELS FOR MUSHROOMS – ANNUAL VOLUME:

✓ White Button – Whole

- i. Restaurants (2.2 mill kgs)
- ii. Cafés (1.4 mill kgs)
- iii. Pubs (0.9 mill kgs)
- iv. Hotels (0.8 mill kgs)

✓ White Cup – Whole:

- i. Function Caterers (152 tonnes)
- ii. Cafés (100 tonnes)
- iii. Restaurants (59 tonnes)





- ✓ **White Flat/Large Open – Whole:**
 - i. Restaurants (243 tonnes)
 - ii. Function Caterers (167 tonnes)
- ✓ **Swiss Brown - Whole:**
 - i. Restaurants (286 tonnes)
 - ii. Cafés (73 tonnes)
- ✓ **Portobello/Open Swiss – Whole:**
 - i. Restaurants (109 tonnes)
 - ii. Function Caterers (33 tonnes)
- ✓ **White – Sliced:**
 - i. QSR Independents (10 tonnes)
 - ii. Restaurants (7 tonnes)



TOP INSTITUTIONAL CHANNELS FOR MUSHROOMS – ANNUAL VOLUME:

✓ White Button – Whole

- i. Aged Care (253 tonnes)
- ii. Hospitals (243 tonnes)
- iii. Long Daycare Centres (212 tonnes)

✓ White Cup – Whole:

- i. Aged Care (72 tonnes)

✓ White Flat/Large Open – Whole:

- i. Aged Care (9 tonnes)
- ii. Hospitals (6.5 tonnes)





- ✓ **Swiss Brown - Whole:**
 - i. Hospitals (2.1 tonnes)
 - ii. Long Day Care Centres (0.9 tonnes)
- ✓ **White - Sliced:**
 - i. Aged Care (17 tonnes)
 - ii. Hospitals (4 tonnes)
 - iii. Long Daycare Centres (2.6 tonnes)
- ✓ **Brown – Sliced:**
 - i. Aged Care (2.3 tonnes) – only channel used





SUCCESS BASED ON SOUND INSIGHT

Phone 1300 66 7274 www.FIForesight.com info@FIForesight.com