



NEBRASKA

Rural Business & Cooperative Services • Value Added Producer Grant Program

Nebraska Mushroom, Gaining Ground in the Market

Nebraska Mushroom, LLC, located in Grand Island, Nebraska, is a small locally owned company that grows and distributes high-quality gourmet mushrooms for restaurants, individual consumers, and wholesalers/distributors. Products sold include fresh mushrooms, dried mushrooms, and home-grow bags. Their initial markets included individuals who purchased the products at local Farmer’s Markets in Grand Island, Hastings, Kearney, and Lincoln, and then expanded into restaurants through wholesale distribution.

Increasing the capacity of the mushrooms grown in order to meet the growing demand for these locally grown mushrooms was Nebraska Mushroom’s goal. While not only finding a way to produce more mushrooms, the owner also wanted to increase their opportunities with large-scale community supported agricultural venues (CSAs), restaurants, and grocery stores in Lincoln, Omaha, Columbus, and Kearney. In 2015, Nebraska Mushroom had doubled their production from 50 pounds each week to 100 pounds, and was able to purchase equipment that allowed them to increase growing bag production, increasing from 75 bags per day to 600 bags per day. However, they needed more growing space and assistance with marketing to meet the goals of expanding into the larger markets. With this goal in mind, they applied for the Value Added Producer Grant Program in 2016 for \$154,852 in working capital funds to assist with the additional marketing costs, website enhancements, supplies (such as packaging materials and boxes), salary for additional employees, and mileage for deliveries. The grant also required matching funds, which was provided via cash, mushrooms grown, and in-kind provided by the owner.



Mushrooms are grown, harvested, and packaged on the site, then distributed to grocery stores and restaurants.

As a result of the grant received, Nebraska Mushroom, LLC has increased the number of grocery stores and restaurants their product is carried in for the Lincoln and Omaha areas, running a successful social media campaign that has increased individual interests for increased customers and partners, established new farms for growing, and a new employee for assisting with harvest, packaging on-site at the farms, and completing deliveries. The grocery stores are also starting to order more frequently, with some requiring a weekly delivery. Nebraska Mushroom, LLC continues to look for other growing sites that meet their needs to continue increasing their growing capacity.

Obligation Amount:	\$154,852 Grant
Date of Obligation:	9/22/2016
Congressional District:	Smith, 03; Fischer, Sasse
Partners:	William A. Gordon (owner)
Demographics:	Hall County, Grand Island NE, population 48,520
Impact:	Created one part-time position, increased number of stores, increased business income for small family operation, increased number of restaurants.
