

INDUSTRY CONTACTS

Major Wild Mushroom Companies (Buyers)

Misty Mountain Mushrooms
Richmond, BC
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Emperor Specialty Foods Ltd.
Richmond, BC
(604) 276-0035

Ponderosa Mushrooms
Port Coquitlam, BC
(604) 945-9700

True North Gourmet Mushrooms
Saskatoon, SK
(306) 343-3384

For more information, contact:

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Department of Economic Development
Government of Yukon
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Selected Sources

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A "Mushrooming" Industry?



Exploring Business Opportunities in the Yukon Morel Mushroom Harvest

Yukon
Economic Development

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INTRODUCTION

Building Yukon's Non-Timber Forest Products Industry

In the Yukon, forest fires are inevitable occurrences. While they often cause considerable damage, they can also present economic opportunities. One of the most interesting opportunities comes in the form of morel mushrooms.

For reasons not entirely understood, morels tend to "fruit" in abundance in burned areas of coniferous forests in the spring following a summer fire. This renewable resource—marketable as a fresh or dried ingredient for gourmet cooking—is classified as a Non-Timber Forest Product (NTFP). NTFPs are products other than timber, pulpwood and firewood that can be made from plants and other organic matter found in forests. They are used for food, medicinal purposes, arts and crafts, personal care, landscaping and a wide range of other applications.

Many Yukon people are already successfully engaged in economic activities related to NTFPs, including the production of herbal bath products, willow furniture, and cooking sauces—to name just a few examples. With the appropriate knowledge, Yukon entrepreneurs have an opportunity to expand on these activities to include Yukon morels. As a result, they may realize economic benefits that are now enjoyed primarily by non-resident workers and outside companies.

DIG DEEPER... Learn how NTFPs are becoming an increasingly prominent resource sector in Canada through the Northern Forest Diversification Centre in Manitoba and the Centre for Non-Timber Resources in British Columbia. www.nfdc.ca and www.royalroads.ca

NTFP markets are typically specialized. More often than not, they are based on highly variable seasonal production, which can create significant supply challenges. Imperfect market information and changing conditions are other defining qualities of the NTFP industry. All of the considerations that apply to NTFP markets in general also apply to morel mushrooms—perhaps more so.

The experience of morel-producing areas elsewhere in North America suggests there is potential to develop a Yukon morel industry that reserves a greater share of the product's final value for the local economy.

Tourism

Given the growing interest in wild mushrooms, Yukon entrepreneurs could capitalize on the presence of morels to create new eco-tourism or culinary tourism products, including guided "hunts" and morel camps. According to research by the Canadian Tourism Commission (CTC), the niche market of American and Canadian "wine and culinary enthusiasts" has considerable future growth potential.

Morel gathering is an activity that could also selectively enhance and broaden the appeal of existing Yukon wilderness tourism products



such as hiking and fly-in fishing. For example, the large burns along the water's edge in areas such as the White River confluence might have presented an ideal opportunity for operators offering Yukon River paddling trips in 2005.

Similarly, Yukon tourism operators could use menus featuring Yukon morels as a selling feature when marketing to both leisure travelers and meeting, convention and incentive travel groups who value the experience of gourmet cuisine with distinctive local flavours. In fact, the CTC's research suggests a significant overlap between leisure travelers who enjoy "soft adventure" products—a Yukon specialty—and those who consider cuisine an important aspect of travel.

DIG DEEPER...

Learn about a town in Michigan that has developed tourism events and products around its local morel harvest.

www.morelfest.com

Warning!

Some wild mushrooms are very poisonous, including species that look similar to edible morels. In fact, even experienced pickers have been known to harvest "false morels" by mistake. Furthermore, there are important guidelines for the proper handling, preparation and consumption of edible morels. For example, morels should be cooked for at least five minutes and should never be eaten raw within 72 hours of drinking alcohol. An industry with experienced and qualified operators at every stage of production will ensure that consumers enjoy safe, high-quality Yukon morel products.

Harvesters and Field Buyers:

Harvesters and field buyers require an array of supplies, including groceries, gasoline, clothing, and camping equipment. Information and communications are also valuable commodities in the field, whether in the form of maps showing road access and/or bountiful picking sites, access to world market prices, or satellite phones and mobile radios. Transportation to remote picking areas via plane or



boat, as well as vehicle repairs, are other services in demand by many pickers and buyers.

Production-Oriented Services:

A business opportunity exists wherever value can be added to the mushroom product. In

most cases, facilities or services that help maximize profits will be in demand. Field transportation, storage space, refrigerated transport, and drying facilities for harvested mushrooms are examples of services that can be integral to the timely delivery of mushrooms to the world market. (However, it should be noted that many field buyers, as well as more experienced pickers, operate with a high degree of self-sufficiency, often traveling to burn areas with mobile drying units, etc.)

Training

Specialized knowledge is required at virtually every level of the morel mushroom industry. Pickers require knowledge in areas such as mushroom identification, bush skills, First Aid, map reading, and picking techniques. Individuals or businesses wanting to distribute and/or market mushrooms require a solid understanding of global morel markets, as well as business and marketing savvy. At present, the lack of knowledge about the morel industry is a partial barrier to participation by Yukoners.

Training programs in all aspects of the morel industry have been delivered to rural residents in jurisdictions such as Alaska, Northwest Territories, Saskatchewan and Manitoba. There is an excellent opportunity for Yukon training providers to develop new courses or tailor existing programs, particularly those relating to field skills and/or entrepreneurship, to accommodate people wanting to participate in the morel industry.

THE MOREL INDUSTRY: AN OVERVIEW

The morel industry is a global enterprise that continues to evolve in a manner as wild as the product itself. Adaptability is a key to survival for industry participants who routinely face sudden and potentially dramatic changes to factors that can affect the market price of morels.

As a prized ingredient of popular French cuisine, the morel enjoys steady demand, primarily from consumers in northwestern Europe and Japan. The United States and Canada are important secondary markets. Overall demand, especially the North American component, is supported by trends favouring the consumption of specialty mushroom species that have a healthy, organic nature.



Supply is the real wildcard in the international marketplace. It depends on often unpredictable harvests at different times of the year in Turkey, China, India, Pakistan, various Eastern European nations, the United States and Canada. The well-developed harvest industries in British Columbia and the US Pacific Northwest account for a small percentage of world supply, but are becoming increasingly important as more populated producing areas face concerns about heavy industrial pollution and intensive land use.

The Yukon's morel industry is tied to the international marketplace through the dynamics of the industry centred in the US Pacific Northwest and British Columbia. The production system begins with the identification of morel-bearing burn areas where road access makes a Yukon harvest commercially viable. In late spring and early summer, the majority of morels are then picked by harvesters from outside the Yukon and sold to buyers in the field.

Whether the morels are dried for future transportation or shipped fresh ("wet") immediately, they are usually transported via Whitehorse, by truck or plane, to mushroom companies in southern Canada. From there, most morels are exported to Europe for processing and retail packaging, while smaller quantities are processed for domestic markets. Both mushroom companies and exporters play a major role in establishing field prices and supplying cash for purchases.

A YUKON ADVANTAGE

There are a number of reasons why the Yukon may enjoy a competitive advantage as a morel-producing region.

The most significant advantage might arise from the market's sensitivity to regional reputation. Morel buyers and consumers in Europe already associate Canadian wild mushrooms with superb taste and high environmental standards. (Apparently, some European distributors have even attempted to pass off morels of less attractive origin as Canadian-harvested.) The Yukon is well positioned to build an even stronger reputation for its morels, thanks to its popularity as a wilderness tourism destination for European travelers. It is worth noting that German firms have been prominent and numerous among Europe's biggest morel importers.

The Yukon's low humidity climate—the ideal condition for the morel drying process—is another factor that could contribute to product quality and, ultimately, a superior regional reputation. This reputation could be supported by the development of a Yukon brand in conjunction with a "Demarcation of Origin" system familiar to European wine and cheese consumers. Given the relationship between unspoiled environments like the Yukon's and the quality of wild products like morels, such a system would probably encourage the selection of Yukon morels over those of other regions where conditions are less ideal.



The Yukon's ability to redefine its role in the larger production system is also enhanced by regular, direct air access from Whitehorse to Europe during the morel harvest season. Local pickers and distributors could certainly explore the option of bypassing mushroom companies and exporters in southern Canada. The Yukon tourism industry's existing

capacity to communicate with German, French and Japanese-speaking people in their own languages could be a valuable asset in these efforts.

Finally, the Yukon may enjoy an advantage because its forest industry is still in the early stages of development. This provides an opportunity to plan and manage, from the outset, the evolution of the industry's timber and non-timber resources in a manner that is coordinated and complementary.

Indirect Participation

Fine Dining & Catering

With access to even a small but consistent supply, some Yukon restaurants and caterers could substitute fresh or dried Yukon morels for other types of wild mushrooms already used in their menus. They could also develop new seasonal and year-round dishes specifically designed to showcase this local delicacy. In either case, these dishes could command premium prices from locals and tourists—especially European and Japanese people—who actively seek natural foods from the local environment.



There are no restrictions on the use of morel mushrooms by restaurants and caterers and, contrary to some perceptions, the cost of morels would not be prohibitive, given the small quantities commonly required for use in sauces. Local demand for morels is currently limited, but the greater use and promotion of this product by local restaurants and caterers could help convert public awareness about the harvest into higher consumer demand.

Retail

Local processing of dried morels, even on a small scale, opens the possibility of new products and product lines for sale through Yukon retailers. Local grocery stores could carry packaged products made from dried Yukon morels and, in season, limited quantities of fresh morels. These products would be targeted at local households and restaurants. Gift shops could also market dried products to tourists eager to take home "a taste of the Yukon." Various sauces, spreads, teas and other specialty foods processed from local ingredients have already been developed and marketed in response to this kind of demand.

Support Services

In terms of "spin-off" business, the morel industry bears a strong resemblance to more conventional Yukon resource-based activities such as mining exploration. Yukon businesses that can anticipate and deliver the broad range of supplies and services required by morel pickers and buyers stand to benefit from a good harvest season. These suppliers either cater directly to the people participating in the morel harvest, or facilitate the production process itself.

This reality suggests a final option: to sell the morels to those same mushroom companies. At least some of these companies are willing to take product on speculation. If a company is satisfied with the product, this scenario could eventually lead to a commission-based contract as a field buyer—an excellent way to gain greater industry experience.

Value-Added Processing

While some initial processing of morels often takes place in the field, this primarily involves drying for preservation purposes. The real value-added occurs with the processing of dried morels into a variety



of products. This role offers one of the most immediately inviting and viable business opportunities for Yukon entrepreneurs. It is also one that doesn't necessarily require a large investment in facilities or equipment.

Elsewhere in Canada, small and medium-sized businesses have developed innovative packaged food products using morel mushrooms purchased locally from pickers. These products include sauces, soups, spreads, dips, stuffings, curries and even vegetarian burger mixes. For the most part, they are marketed at the local and regional

levels, but national and international distribution is possible.

A similar cottage-based approach to processing would be ideal for Yukon entrepreneurs. Yukon morels obtained through supply arrangements with pickers or a local distributor could be processed, packaged and labeled for direct or indirect marketing to consumers, restaurants and tourists in the Yukon. Ideally, a processor could also capitalize on the Yukon brand to expand sales of value-added product to other areas, including Europe. Obviously, success would depend on access to a sufficient and reliable supply of Yukon morels, as well as a thorough knowledge of food safety guidelines for wild mushroom handling.

DIG DEEPER... Learn how a hobby picker in the Okanagan turned her passion for wild mushrooms into a thriving cottage-based processing industry.
www.mmmwildmushrooms.ca

The level of capital investment required for a larger processing capacity would make reliability and volume of supply even more critical. If a disappointing local harvest couldn't sustain such an operation, transportation costs would likely make it impractical and uneconomical to import mushrooms from outside the Yukon.

ECONOMIC OPPORTUNITIES FOR YUKONERS

The Yukon morel harvest creates numerous opportunities for individuals and businesses to secure local employment, increase sales, develop new production capacity and otherwise participate, directly or indirectly, in a growing international industry.

Direct Participation in Production

Picking

Historically, pickers from outside the Yukon have dominated the commercial harvest of Yukon morels. Many pickers are experienced professionals who follow the natural supply of morels around the US Pacific Northwest, British Columbia, Yukon and Alaska. However, first-time pickers represent a substantial percentage of the transient workforce. This suggests that Yukoners with appropriate skills could also harvest morels for profit, although potential earnings will depend not only on experience and motivation, but also on uncontrollable factors like world prices. In general, few harvesters earn significant incomes from picking; the best may earn several hundred dollars a day.



DIG DEEPER...

Learn the secrets of successful morel picking from a subscription-based newsletter.
www.mmmorels.com

Picking morels can be physically and mentally demanding labour, often based out of remote camps with limited amenities. A good level of fitness and basic bush skills are obviously major advantages for a vocation where income depends on volumes harvested. A thorough knowledge of mushroom identification is also highly recommended, but deficiencies in this area can be overcome by picking with a more experienced partner.

Yukoners who are accustomed to working outdoors—surveying, line cutting or wilderness guiding, for example—might be ideally suited to picking morels.

Prospective pickers need to understand that morel picking is different from traditional types of resource-based-employment. No résumés, interviews or formal qualifications are required. Harvesters are usually self-employed workers who sell fresh-picked morels by weight, for cash, to one or more field buyers at prevailing market

prices (assuming the mushrooms meet quality standards). Pickers are not salaried employees who enjoy benefits such as over-time, unemployment insurance and sick leave. That said, many pickers do establish relationships, sometimes long-term, with one or more field buyers who represent a particular mushroom company and can offer certain perks.

Understanding the rigorous nature of the work and the need for self-initiative, anyone who still wants to pick morels for commercial purposes in the Yukon needs to know where the best harvesting areas are located. In the spring, the Yukon government's Energy, Mines & Resources department distributes maps showing major burns and their proximity to the territorial road network. These maps can provide an indication of where morels and harvesting camps will be found. This information can be confirmed by word-of-mouth, media reports, Resource Management Officers in the regions, and reputable mushroom companies that might have dispatched buyers to the Yukon.

Typically, morel harvesters need to provide their own equipment for harvesting, hiking and camping. Harvesting equipment is simple, consisting of little more than a mushroom guide, two or more ventilated five-gallon buckets, two six-inch knives, an external backpack and a package of dust masks. The Energy, Mines & Resources' pamphlet *Commercial Morel Harvesting in the Yukon* includes suggested equipment lists, along with practical advice about how to pick, handle, sort, dry and transport morels.

Once the morels have been picked, the most obvious option is to sell the fresh quantities directly to buyers, at prices set by them, at stations typically located on highways near pickers' camps. At this point, the buyer assumes responsibility for drying and transporting the mushrooms, almost always to companies outside the Yukon.

Pickers who are willing to assume higher risk for potentially better prices have a couple of options. One is to acquire the equipment and knowledge to dry mushrooms in the field in order to sell them, independently, after the harvest when prices tend to increase. This approach is best suited to a group of pickers working cooperatively. Alternatively, arrangements could be made, albeit with greater difficulty, to ship fresh morels to market. In either case, once pickers decide to bypass field buyers, they move away from simple harvesting and into distribution of one form or another.

DIG DEEPER... Learn how the Lac La Ronge Indian Band in northern Saskatchewan became an integrated harvester, processor and wholesale distributor of wild mushrooms.
www.northernlightsfoods.com



Distribution

Distribution of fresh or dried Yukon morels from the field to mushroom companies, exporters, wholesalers and, ultimately, consumers might follow as a natural progression from picking. At the same time, it would be possible—if not easy—to become a distributor without direct involvement in picking.

Secure access to morels from the harvest is the first critical factor for a prospective distributor. Anyone who is not engaged in the actual harvesting will need to compete against other field buyers, primarily on the basis of price. The prerequisites for buying

include detailed knowledge of mushrooms, large sums of cash, drying equipment (a furnace, forced-air ventilation system and racks), storage space and transportation infrastructure.

The other critical factor is sales and marketing channels: if producers and distributors can't sell their mushrooms, there's no point buying them in the first place. Depending on quantities, and whether the product is fresh or dried, Yukon morels purchased from the field could be distributed in several ways.

One option is to sell direct to Yukon consumers—households, restaurants, caterers and tourism operators—through a temporary retail location, or indirectly through grocery stores. While there is local demand for some fresh and dried morels, especially from high-end restaurants and caterers, it is certainly limited. Another option is to use Internet sites like e-bay to market relatively small quantities to customers anywhere in the world.

DIG DEEPER... See how pickers and distributors are using the Internet to sell morels and find export trade leads. Perform a search on www.ebay.com or www.alibaba.com using the term "mushrooms morel."

The biggest potential profits in distribution—and therefore the biggest barriers to entry—relate to the bulk export of dried or fresh mushrooms to major markets in Europe, Japan and, to a lesser degree, other areas of North America. This may be difficult without a solid reputation, industry contacts, an understanding of export procedures, and the ability to weather sudden price changes—the very factors that give the established mushroom companies an edge in the market.