

Processor Sees Improving Domestic Market For Mushrooms

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KENNETT SQUARE (Chester Co.) — Mushroom processor Gary Caligiuri, president of Sunny Dell Foods, remembers the struggles the industry endured three years in a row.

On a large scale, mushrooms were being imported to the U.S. at deeply discounted rates. Mushrooms were being dumped here from China, India, Indonesia, and Chile, nearly devastating the U.S. industry.

Tons of mushrooms offered to consumers on store shelves was from overseas growers, placing unfair competition on domestic processors and hurting domestic growers.

And for the first time that Caligiuri can remember, in order to stem the "dumping" of cheap mushroom imports into the country, way below cost of production, the industry got together a year ago to see what they could do to stop it.

Fortunately, an industry comprised of small- to medium-sized businesses run by families solicited the help of the International Trade Commission and the Commerce Department. A year ago this month, a determination was made to tariff products imported from Chile. Mushroom growers in this country finally could breathe a little easier.

But the battle isn't over. On Dec. 17 this year, the final determination will be made on imports from China, India, and Indonesia.

If the ruling comes in favor of U.S. producers, there will be "a lot more domestic product on the store shelves," said Caligiuri.

Caligiuri operates two businesses. One, Specialty Packaging in Toughkenamon, employs five people and is managed by Bob Fella. The business receives boxes manufactured and printed by Stone Container or Weyerhaeuser Paper Company. At the plant, the boxes are placed in "forms" for individual packagers. Delivery of formed product is seven days per week.

In the past, many processors used a generic cardboard box, form-fitted and labeled with the grade of mushrooms available.

But Specialty Packaging learned how to personalize and specialize the boxes in different shapes and sizes for the needs of customers.

"We've 'advanced' them," said Caligiuri. The new boxes contain a fancy design with the owner's name, pictures, recipes, and mushroom facts. In the past several years, Specialty Packaging has been focusing on providing more private and personalized labelling services to mushroom products.

The other business, headquartered in Kennett Square, is Sunny

Dell Foods, which employs 30 people. Caligiuri began Sunny Dell five years ago, naming it after a road in Avondale where he used to maintain a warehouse for Specialty Packaging.

Caligiuri was born and raised in Kennett Square and literally grew up in the mushroom business. "I was born in the industry," he said. Caligiuri's grandfathers were both mushroom growers. Caligiuri's wife, Lori's, father was a mushroom grower. Lori is now the company accountant.

Years ago, Gary Caligiuri moved to Temple, Berks County, for a time, growing mushrooms and transporting them to a Kennett Square packer and to fresh market. He began renting space from a warehouse in Oxford — the Oxford Corp. Mushroom Cannery.

Eventually, after leasing the company, he purchased Oxford Corp. from owner Tom DiCecco in 1995.

In 1995, the company canned mushrooms and moved slowly into the marinated glass mushroom market. From there, Caligiuri leased the Specialty Packaging building in Toughkenamon. In May this year, Caligiuri purchased what used to be the Seneca Foods mushroom processing plant in Kennett Square, from which Sunny Dell now operates.

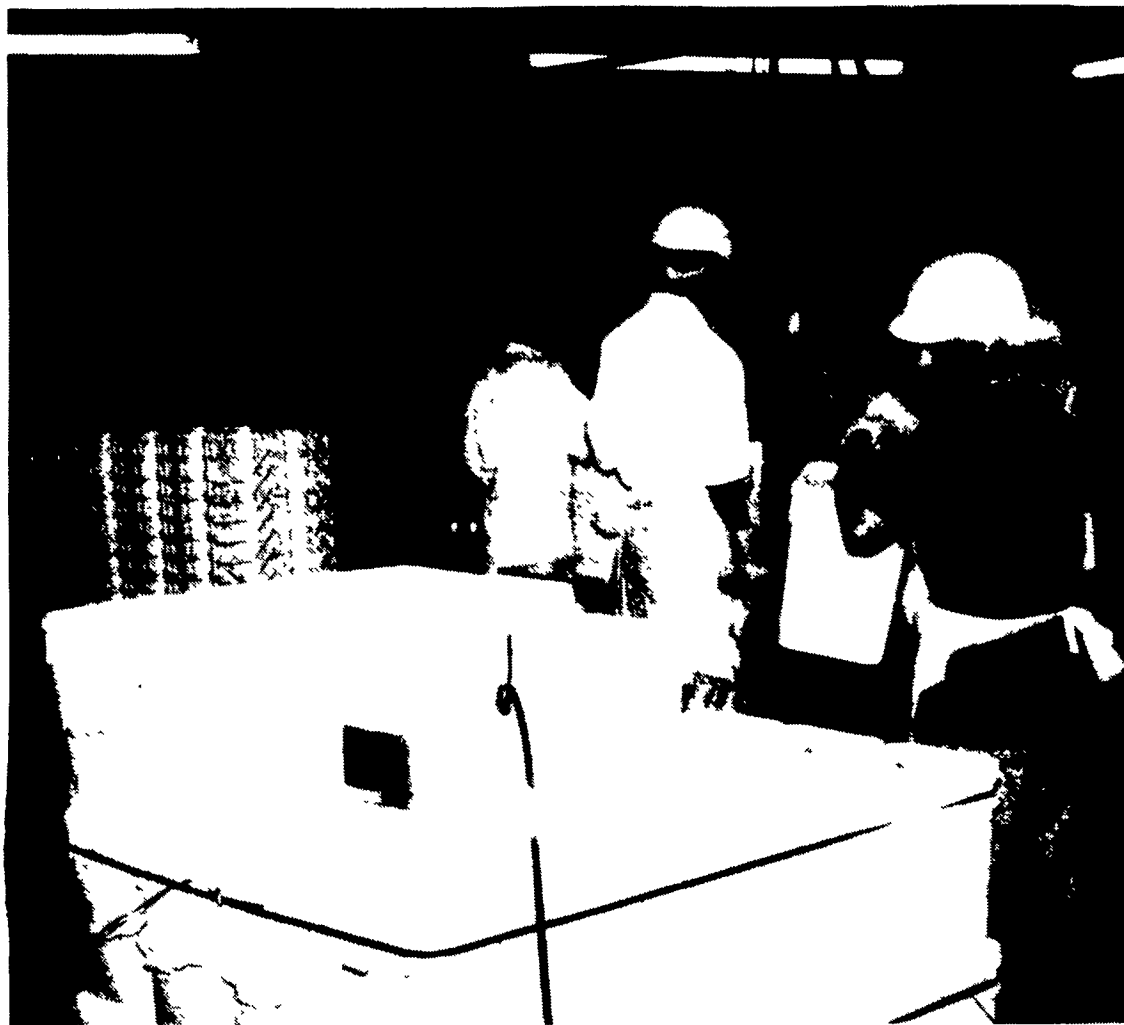
"We do all the packaging for Seneca, a huge company," said Caligiuri. Seneca is based in Marion, N.Y.

However, Sunny Dell also packages under its own label, including canned and bottled mushrooms and the "exotic" mushroom line, including refrigerated and marinated mushrooms. In all, Sunny Dell packages mushroom foods for about a dozen companies, including Phillips Foods in Kennett Square, South Mill Mushrooms, Modern Mushroom, Moonlight Mushroom, and Creekside Mushroom. They accept the button mushroom, medium mushroom, soup-grade, and number 2 mushrooms for processing.

Sunny Dell can process cans in four-, eight-, and 16-ounce cans, up to a number 10 (68-ounce) can. They can process glass jars in 3½-, six-, eight-, 12-, 16-, and 32-ounce sizes.

They can process any type of mushroom product, including mushroom salads, whole mushrooms, portobellos, and exotics.

One Sunny Dell product is their Massimino Brand (named after Gary's grandfather), which includes five different marinated flavors in mushrooms for the upscale market. They can provide garlic Italian, herb Italian, Mexican jalapeno, sweet Italian, and



Here four-gallon refrigerated white mushrooms are filled at the Sunny Dell Foods factory.

Italian salads. They formulate and product-test their own items. Sunny Dell ships products all over the U.S.

Sunny Dell can process and can or bottle in almost any approved size container and ship as necessary.

The company can provide refrigerated products in ¼ gallon, one gallon, or four-gallon containers. He can even refrigerate a product in 55-gallon drums if requested.

Caligiuri said the company employs a stable workforce. Their quality control inspector, Carolina Carreno, has been employed at the plant for 20 years. Scott Philistine is plant manager, Lori Caligiuri is accountant, and Monica Saganich is secretary/receptionist.

Caligiuri purchases mushrooms from 30 local growers. Mushrooms range from the Agaricus Whites to the Crimini to the portobello to the shiitake mushroom.

In the future, Caligiuri will focus on new products, including further processing of white and portobello mushroom products, pizza, and other items. Included is a special jalapeno/mushroom process that the company has begun. They are venturing into the salsa and soups market.

Sunny Dell packages mushrooms for the Joseph Sbarro family in Commack, N.Y.; Cantisano Foods, Fairport, N.Y.; John LiDestri, who makes several well-known products in the industry; Lisanti Foods in Totowa, N.J.; and others.

Caligiuri said that he owes his start in the industry to the help of several people. He said some of those include Joseph Sbarro of

Sbarro Inc.; Joseph Lisanti, owner of Lisanti Foods; and Michael Baschiani and the Baschiani family, who provided a big opportunity to start a business.

Caligiuri said his customers are looking for a "fair price for a fair product, which they can take and return to sell to the customers." He noted the company's flexibility in supplying customers what they need when they need it.



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