



## Case Study - Franklin Farms

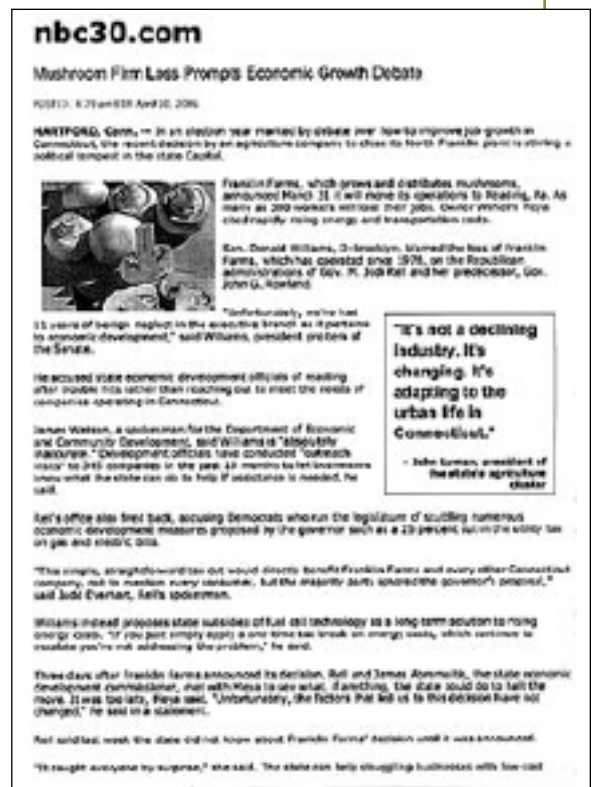
When the owners of Franklin Farms came to the difficult decision to close their 25 year old organic mushroom facility in North Franklin, CT, they needed to let the members of their industry and the local community know of the decision. The message for the industry was that there would be no interruption in the product's delivery and no change in its quality. The product would be distributed from the Giorgio Fresh Company in Pennsylvania. In addition, Franklin Farms would continue the production of its branded all natural-vegetarian products, including Portabella Veggiburgers, Portabella Veggiballs, and Portabella Veggidogs and specialty organic mushrooms in Connecticut.



Locally, the message was quite different. Franklin Farms was the largest tax-payer in town. The company needed to tell the community and its local stakeholders that the decision to close down a substantial amount of its local operations was not done precipitously. Over 300 workers would also be laid off, many of whom had 20 years of service to the company; not something the owners took lightly. The company was anxious for workers and the community to know that they would bring in resources to help them find work. In addition, the company would be selling most of its 300 acres and did not want local officials to make that sale difficult.

### Tactics included:

- o Correspondence to all stakeholders, including customers, employees, vendors and local officials
- o Key message development and delivery training for Franklin Farms' president
- o Press releases to national trade press and local media
- o Media management for interviews





### Summary of results:

The move to Pennsylvania resulted in limited loss of customers. Giorgio Fresh continues to provide the company's organic mushrooms throughout the world as the largest single site mushroom growing operation in the US. In addition, Franklin Farms' Connecticut continues its local operations with its branded all natural-vegetarian products. Their Portabella Veggiburger is still the number one selling fresh veggie burger in the country.

**NEWS**

**'White people can't pick mushrooms'**

## Farm closing won't hurt most workers

Demand for mushroom pickers spans state lines

By Christina K. Davis  
Special to Spectrum

**B**rown dress, straw hat. That might explain why days after news broke that Connecticut's Franklin Farms mushroom growing operation would be closing over the next three months — leaving 382 mostly Mexican laborers out of work — farms from as far away as Wyoming began clamoring to attract the soon-to-be displaced workers to their operations.

Virginia Sanguino, director of strategic development for the Eastern Connecticut Workforce Investment Board, the agency charged with helping the displaced mushroom farm workers find employment, said that her office has been contacted by mushroom farms in Pennsylvania, Texas and Wyoming.

"I'm surprised by the immediacy of the interest from out-of-state," Sanguino said. "It must be a very tight network. It was so immediate."

William Meyers, founder of the Franklin Farms, announced March 22 that he would be closing his operations and contracting with Giorgio Fresh of Pennsylvania to take over the business. Meyers said that escalating costs, including electricity and shipping prices, have made it impossible to keep the farm open.

The news is part of a trend within

the tight-knit mushroom industry. An increase in competition for foreign mushroom imports have kept mushroom prices stagnant over the last few years, according to Meyers. The resulting pressure has caused consolidation in the industry, he said.



Three men stand outside the Franklin Farms mushroom growing plant, Franklin Farms, which grows and distributes mushrooms, announced March 22 that it is closing operations in Reading, Penn.

Members from the U.S. Department of Agriculture built up Meyers' claim. The number of mushroom growers in the United States has dropped from 147 in the 1999-2000 growing season to 118 in 2004-2005, a 20 percent decrease. Despite the decline in the number of growers, total volume — totaling \$52 million pounds — has remained level over the same period.

## Mushroom Grower to Move Out of State

By JEFF BOLTZ

**A**FTER growing mushrooms in the town of Franklin for more than 25 years, Franklin Farms has announced that it will close most of its operations in Pennsylvania in June and lay off most of the company's approximately 380 employees.

The company said it reached an agreement with the Giorgio Fresh Company in Reading, Pa., on March 22 to grow and package its mushrooms. The company said it would continue to produce organic mushrooms at Franklin Farms.

William Meyers, the owner of the business, said he was moving most of the business because of the high costs of transportation and energy.

"This is not a major agricultural area," he said, referring to Connecticut. "We have to import the materials that we use to grow the mushrooms."

**The Franklin company will lay off most of its 380 employees.**



Franklin Farms has announced that it will move most of its operations to Pennsylvania in June, although its organic mushrooms will still be produced in Franklin.

James Warner, a spokesman for the State Department Economic and Community Development, said the state could have offered Franklin Farms low-interest loans and grants to modernize its equipment.

But Mr. Meyers said it would not have made a difference.

"Our space is very energy-dependent," he said. "We consume about 20,000 gallons of oil in a week, and the state cannot afford to subsidize a business at that price," he said. The equipment used at Giorgio Fresh was more energy efficient.

Richard Matross, the first secretary of Franklin, said the news would lose about \$10,000 a year in taxes because of the move. He said it would also affect other businesses.

"Historically, the workers at the farm have been very loyal and have worked there for the 25 years," Mr. Matross said. "It's going to be a difficult transition for anyone who worked there."

Franklin would offer its employees a company willing to locate there, Mr. Matross said.

Mr. Meyers said he would work with local and state officials to find a way to get some of the jobs that the farm has developed. He is looking to move what is left off the farm to other locations.

"The biggest thing is what means for the employees who worked with me, and we're so proud, and built the Franklin company," he said. "It's for a good reason for anyone who worked there."

The State Department of 1 was expecting to see a total Franklin to help the workers move jobs and other job training.

