



Transfarmation®

Better Way Quality Organic Mushroom Farm

GRANT REPORT

Reporting Period: March 2022–March 2023

Amount Granted: \$10,000

Farm Location: Harnett County, North Carolina

Former Farm Type: Finishing pig farm

Farming Method Tested: Specialty-mushroom cultivation
inside an existing building

Recommended for Other Farmers? Yes

Biggest Learning: The farmer did not follow
recommendations for construction. Changes were made to
Transfarmation processes after this project to avoid this issue
in the future.

Conversion Plan: 16' x 16' Building Conversion for Specialty
Mushroom Cultivation

*Note: Names are omitted from this report to protect the
farmer, who is still under active contract.*

A Bo Halley Research and Innovation Grant totaling \$10,000 was awarded to an active hog farmer for the farmer's Better Way Quality Organic Mushroom project. The farmer's family owns a hog farm in North Carolina. Their goal with this pilot project was to create a mushroom-growing operation that enables them to scale enough to transition from animal agriculture. Their primary reason for wanting to exit animal agriculture was the financial unpredictability and environmental damage involved in pig production.





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Existing building on the farm to be used for growing mushrooms

Stages of Transition

Construction of a fruiting room was the first stage of this project. The room's construction took only one day to complete but was delayed by the contractor for most of the first quarter.



Enclosed growing room within existing structure



Framing for growing space

Installation of the walls, insulation, and washable surfacing were completed in the second quarter. During this time, an air-conditioning unit and a CoolBot were purchased but not installed.

The fourth-quarter report stated that the contractor had not been out since 2022. The next steps were to install the AC unit and a sloped floor for drainage. The farmer noted about 70% completion in the fourth quarter. Shortly after the one-year anniversary of starting the project, construction was completed, and the farmer began experimenting with growing mushrooms in the production space.



AC unit, misters, and shelving installed



Monitoring CO₂ with fruiting mushrooms

In summer 2023, the Transformation team joined the family for a site visit to see their mushroom-production space. Together, they identified key environmental-control flaws that were affecting mushroom production. Transformation provided advice on how to proceed, but the project has since been put on hold due to family health issues.

Project-Related Tasks

The grantee took two online classes through Cornell about USDA organic certification in the first quarter and contacted local farmers markets, sought further funding, reached out to local USDA agents for assistance, and received a North Carolina Department of Revenue sales and use tax certificate of registration. In the second quarter, the farmer started researching how to set up a mushroom fruiting room with shelving, lighting, and humidity and temperature control, as well as growing and storage methods for mushrooms, seeking products and applications to help reduce the operation's environmental footprint. The grantee continued contacting local farmers markets and researched how to accept EBT payments. Through the fourth quarter, tasks remained focused on what could be done given the farmer's circumstances: learning about growing mushrooms and conducting market research, finding that the majority of local markets did not have mushroom vendors.

Unexpected Challenges

As with other contract farmers, the family's major concern was lack of autonomy over their farm and an uncertain financial future if abrupt changes were made regarding the pig operations. Construction of the mushroom fruiting room took longer than expected. The original contractor developed health issues, which put construction on hold for months. The family noted their uncertainty about challenges they could face becoming mushroom farmers. They understand that sustainability in business is all about the market and income, and they would much rather engage in mushroom farming than the hog business. They've researched farmers markets and are open to whichever markets they can sell to. They expect lower expenses in this phase, learning the growth cycles of mushrooms, than in the next phase when they transition a hog barn and increase production. They believe a successful transition is possible in light of a nearby mushroom producer who converted three smaller barns for mushroom production.

Was the funding sufficient for the project?

In the beginning of the project, the farmer sought out additional funding opportunities. The \$10,000 in funding was not enough for the project but did help significantly with getting started. The farmer noted having to choose between purchasing cheaper materials to get started and purchasing higher-quality materials that cost more but would last longer.



Table 1. Proposed budget

| Materials | Cost |
|--|-------------|
| One 10' x 20' Mycodo-controlled cultivation chamber | \$10,000 |
| Operating costs | |
| 200 blocks per month at \$12 for 4 months | \$9,600 |
| Packaging materials (for fresh-market sales) | \$240 |
| Utilities | \$148.48 |
| Total materials and operating cost | \$19,988.48 |
| Estimated revenue (4 months, assuming 200 blocks per month yielding 2.6–2.75 pounds each with 10% wastage) | \$20,000 |

Table 2. Actual budget

| Fruiting room materials | \$3,773.91 |
|-------------------------|-------------|
| Point-of-sale materials | \$495.80 |
| Specialized labor | \$5,920.00 |
| Total | \$10,189.71 |

What would the farmer have done differently?

The farmer would have started this project years ago and completed construction more quickly.

Time Frame

The farmer estimates that construction took at least six months longer than it should have. At the conclusion of the project, the farmer estimates a two-year time frame to become profitable.

Farmer Achievements

The family learned a great deal through this process. They are proud of attending events with Transformation, which has helped them realize they aren't alone in wanting to transition to plant-based farming. They've become interested in being farmer advocates, wanting to help other farmers in similar situations and give fair warning to anyone considering entering contract factory farming. They are proud of themselves for leaning into more plant-based food choices.

