

Lithuanian mushrooms: a European success story ¹

Grybai LT, a cooperative business located in the small Lithuanian town of Širvintos, is the most modern mushroom producer in the entire Baltic region. Not only does the company grow mushrooms, but it also processes them and prepares for immediate consumption in contemporary, environmentally-friendly packaging—itsself produced using the minimum CO₂ emissions possible. Moreover, in addition to mushrooms, Grybai LT also makes a range of organic vegetable and legume prepared products, including several kinds of organic soup.



What is now a nationally and regionally prominent business began with one simple idea by a single Lithuanian businessman—Kęstutis Jusčius. Since at the time the Russian Federation banned the import of raw Lithuanian mushrooms, he realized that the only way the unsold products could be used was to completely reorient the market from raw to processed/packed production. At the time, however, there were no factories in Lithuania large or effective enough to process mushrooms in such volumes. This is how an ordinary agricultural company in a semi-rural area with only modest wealth began its transformation into the most modern and innovative factory in the entire region, with exports reaching throughout the EU market and beyond.



In about six years, from 2011 to 2017, Grybai LT grew from a simple mushroom growing farm to an innovative market leader—exporting 90% of its products outside Lithuania, whether to nearby EU markets or to countries as far away as South Korea—with its own automated processing and canning factory. This facility—the most advanced in the Baltics—opened in spring 2017. Not only has the new factory boosted the economy of the Širvintos municipality and the Vilnius region as a whole, but by creating 20 jobs—with a further 20 to come as the facility is further develop—it has attracted Lithuanians from other parts of the country as well as returning Lithuanian emigrants. Its

¹ The article is based on an interview with a Grybai LT representative, on the information presented on the company's website, and on the following 2017 Lithuanian media article: "[I] robotizuotą širvintų gamyklą lietuviai sugrįžta iš emigracijos" [Lithuanians Return from Emigration to Work at Automated Factory in Širvintos], *15min.lt*, 2017-05-04, <<https://www.15min.lt/verslas/naujiena/bendroves/i-robotizuota-sirvintu-gamykla-lietuviai-sugrizta-is-emigracijos-663-792644#> <https://www.15min.lt/verslas/naujiena/bendroves/i-robotizuota-sirvintu-gamykla-lietuviai-sugrizta-is-emigracijos-663-792644#>>. The illustrations are drawn both from the above article and from "Parodė, kaip gaminama „Auga group“ produkcija" [Auga Group's Production Demonstrated], *Verslo žinios*, 2017-05-04, <<https://www.vz.lt/agroverslas/2017/05/04/parode-kaip-gaminama-auga-group-produkcija>>

owner underscores, however, that such a successful project would not have been possible without support from the EU; a significant part of the €6 million investment to launch the facility came from Brussels.

Today, the facility has two main production lines: a mushroom processing line (fully automated and with minimal risk of microbiological contamination) and an innovative, environmentally-friendly plastic packaging line. At first, company used jar-canning technology, but later it realized that plastic packaging is much easier to transport while also being better for the planet. Currently, the whole process—from production to packaging and storage—is carried out by factory robots, allowing the human workforce to concentrate on activities requiring knowledge and skills.



According to Jusčius, the facility provides Grybai LT with more commercial stability and more flexibility during crisis periods—such as when there is a surplus of raw mushroom production. Processed and packed mushrooms can be stored up to 12 months, but raw mushrooms remain consumable only for 7 days. Flexibility is especially important given that such a large percentage of the firm's production is exported. Grybai LT's largest

export destinations are Bulgaria, Finland, France, Latvia, Poland, Sweden, and the United Kingdom.

Ultimately, the company's example shows that cooperation with large manufacturers and satisfying well-defined market segments with high demand are critical to export success. Jusčius also notes that after the factory expansion plans are complete, Grybai LT will be purchasing 3600 tons of raw mushrooms from other producers, and exporting a total of 4100 tons annually—thereby making it a very important player in the Lithuanian and European mushroom markets indeed.