

Pan's Mushroom Jerky a growing Vancouver success story

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Michael Pan wants to reintroduce your palette to something ancient.

The Vancouver resident is the maker of mushroom jerky. And like a mushroom, he believes, the company is ready to grow seemingly overnight. At food conventions around the country this year, the savory bites have garnered honest and earthly hype.

“People are moving more into reducing meat, whether for health or sustainability,” he said. “It also caters to meat eaters. They say, ‘I eat ribs and steak — but I want to try this.’ ”

With five flavors, new hires on the production side and a deliberate plan for growth, the product known as Pan's Mushroom Jerky is ready to climb from a niche space to a fully realized product, the 38-year-old entrepreneur said.

The snack is already sold directly to consumers and in several stores, but Pan and business partner Colton Telford are seeking bigger partnerships. Market experts, meanwhile, say the company's goals will benefit from a generational shift in diets and the increasing consumption of mushrooms.

“Mushrooms are really on trend this year,” Pan said. “But it’s funny, because they’ve been around forever.”

Asians especially have dried and consumed mushrooms for thousands of years, but Pan’s family recipe is one he says is distinct. He keeps the specifics secret — even though it is a recipe he himself only found recently.

A native of Starkville, Miss., Pan was 3 years old the first time he visited his father’s stomping grounds in the Malaysian city of Sandakan. He ventured back to the coastal city when he was near 30, and was embraced by distant family.

Malaysian hospitality called for a lot of fresh fish, Pan said, but it was his Buddhist cousin’s bowl of vegetarian mushroom jerky that caught his attention. It was not only tasty, but unique, he said, and his entrepreneurial side kicked in.

“I knew that there was a rise in this type of lifestyle,” he said, referring to organic foods. He got his family’s blessing to try to bring the recipe to the United States. “They’ve been very supportive,” he said.

That was eight years and three jobs ago. He would work four more years as an engineer for Motorola and Continental before helping launch a Boston startup called Fancred in 2012.

After Fancred sold in 2016, Pan’s buyout gave him the time and resources to start Panco Foods. He imported jerky from Malaysia to get small batches onto store shelves around the region. He mainly worked alone, with family support and some contract work for marketing and consulting.

“I loved it,” he said. “I started working with it on a full-time basis, bootstrapping the marketing and learning everything from the import rules to building the website.”

Sprouting underfoot

After two years, Pan said, the jerky is close to breaking into the mainstream. With new flavors and new packaging, the company is on a marketing blitz to prove it.

“Literally in the past few weeks, I think we’ve gone from a unique idea to a full-on product,” he said.

After Telford came on board in recent months, the duo separately have hit such conventions as Natural Products Expo West in Anaheim, Calif., and SXSW in Austin, Texas. Plans are to attend trade shows in Los Angeles and New York City this year, too.

It appears to be working. The mushroom jerky has sprouted up in write-ups from The Washington Post and The San Jose Mercury-News, the latter of which wrote that the jerky “blew us away with its umami flavor and texture.”

“Everyone who tries it loves it. It’s just a matter of marketing,” Telford said. He added that one convention-going distributor told them buzz was trailing the jerky at shows, but Pan declined to

elaborate.

Hype isn't the only thing new. After securing commercial kitchen space in southeast Portland and hiring two chefs, Panco Foods has brought production stateside and expects to ramp it up. Eggs, used as a binder in the original recipe, have also been replaced by chia seeds to make the product vegan.

"We did want it to be vegan. We're not necessarily a vegan company, but retailers see vegan as becoming more mainstream," he said.

Market research seems to support that premise. Melissa Abbott, an executive with The Hartman Group, a Seattle-based market research firm, said consumers are increasingly concerned about where their food originates.

"In terms of why they want to be eating more plant-based protein, one of the biggest reasons is animal welfare. We see that on the rise, in terms of consumer sentiment. That's a huge thing," she said.

Mushrooms are having a moment all to themselves, too. So-called "shroom shakes" are rising in the health-drinks sphere. Even mushroom-based coffee and tea have appeared at trade shows alongside Panco Foods' jerky.

Carl Jorgensen, a 30-year industry veteran, said mushrooms are talked about with a medicinal narrative. Meanwhile, their protein offerings and texture make them a viable alternative to meat.

"You've got the flavor and structure, but there is also a tremendous health halo around the mushroom," said Jorgensen, of Connecticut retail consulting firm Daymon Worldwide. "In the food-as-medicine trend, people really do associate mushrooms with healthy eating — that there is almost a medicinal benefit to eating mushrooms."

Growth potential

Even with added attention, Pan said, he won't hurry to grow faster by taking on investors. He said he wants control of the product and its future.

Dave Barcos, whose accelerator program The Bridge helped integrate Pan into the Vancouver entrepreneurial scene, said Pan should trust his instincts.

"It's got incredible potential. Based on the production he's doing now, he can grow three, four, five times," he said. "He's on the cusp of some really, really big growth and he's ready to do it."

Pan's Mushroom Jerky retails between \$8 and \$9 and is already sold in some 200 stores, Pan said, such as Marshalls, T.J.Maxx and other companies under The TJX Companies umbrella. It is also available online at Mushroomjerky.com.

Revenue remains small and expenses are likely to rise in order to ramp up production, but Pan said he can weather that with his buyout money.

And with increasing publicity and the right ingredients in the market, he said he's confident the jerky will find its place.

"There's always pressure as things are progressing. I'm more and more aware that we need capital," he said. "But I'm also more and more aware that the money is going toward the right things."